



Review of offender financial capability support: key messages

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The need for offender financial capability support

Offender assessment system (OASys) data for 2006 indicate that 23% of offenders under the supervision of the Probation Service had a criminogenic need relating to financial management and income. 'Finance, Benefits and Debt' have been identified by the National Offender Management Service (NOMS) as a key pathway for reducing re-offending. More than 50% of short-sentenced prisoners reported that having enough money was a key factor in stopping re-offending (National Audit Office, 2010). Ensuring that ex-offenders have sufficient legally obtained income to live on is a key factor in their successful rehabilitation, but many encounter significant problems achieving financial security. Box 1 indicates some of the issues that offenders, ex-offenders and their families face.

Box 1: Key Financial Issues for those within the Criminal Justice System

<p>Prison creates multiple major life events</p> <ul style="list-style-type: none">▪ finding employment▪ accessing accommodation▪ re-establishing family relationships.
<p>The Criminal Justice System can create / exacerbate individual financial problems</p> <ul style="list-style-type: none">▪ people may enter CJS as a result of existing debt▪ debt can occur and rise as a result of losing employment on entering the CJS▪ the pressure of debt can make resettlement more difficult▪ illegal debt is not tackled by mainstream interventions.
<p>People within the CJS can suffer from financial dependence which can result in financial abuse</p> <ul style="list-style-type: none">▪ people can be locked into relationships and networks that are abusive and drive criminal behaviour.
<p>The risk of re-offending can be increased by the 'finance gap' on discharge from prison</p> <ul style="list-style-type: none">▪ the discharge grant stands at £46 and has not been increased for many years▪ it may take weeks for released prisoners to receive benefits.
<p>People involved in the CJS can find it difficult to open a bank account</p> <ul style="list-style-type: none">▪ access to banking supports employment and accommodation opportunities▪ many find it hard to choose financial products, complete forms, provide acceptable ID and give full address histories.
<p>People in the CJS often have low financial capability</p> <ul style="list-style-type: none">▪ lack experience and confidence in using financial products▪ poor basic skills limit ability to be an effective consumer
<p>People with criminal convictions (and their families) are excluded from insurance</p>
<p>Those who have spent long spells in the CJS can have specific financial concerns</p> <ul style="list-style-type: none">▪ may have paid less into pensions and national insurance.

Source: Based on discussions with the National Association of Reformed Offenders

Previous research

Policy makers have increasingly recognised the importance of improving the financial capability of disadvantaged groups. The Financial Services Authority (FSA) and NOMS have, for example, provided support for the development of interventions focussed on improving the financial capability of offenders. However, the evidence-base is relatively undeveloped. Two literature reviews have begun to address this need.

- *Atkinson (2008)* undertook an **international review** of financial capability initiatives. She found that rigorous policy evaluation identifying the impact of financial capability work was difficult to find.
- *De Meza et al (2008)* conducted a review of the behavioural economics literature. They suggest that financial behaviour may primarily depend on intrinsic **psychological attributes** rather than information or skills. Improvements require long-term changes in attitudes, habits and behaviour towards money. They conclude that financial capability initiatives which are designed to inform and educate may have a positive, but modest, impact.
- *De Meza et al (2008)* highlight two forms of financial capability work that are promising: the use of '**norms**' i.e. directing individuals to particular actions e.g. using a bank account; and **active intervention** by counsellors and/or individualised advice.

More recently, the FSA has published an evaluation of three pilot projects which tested different models of provision:

- **Prison staff training:** NACRO have delivered a national programme of training to help correctional staff support offenders with financial problems.
- **Prison setting:** Vale of Glamorgan CAB together with NOMS Cymru have worked in two Welsh prisons to provide financial capability training to prisoners and prison staff.
- **Probation setting:** Portsmouth Citizens Advice Bureau (CAB) has provided financial capability training to offenders and Offender Managers so they can support individuals with financial issues.
- Table 1 summarises some of the main findings. The indications are that the prison staff training project has worked particularly well.

Table1: Key evaluation findings

Pilot	Headline findings
Prison staff training	<p>17 courses reached 245 staff.</p> <p>Training raised the confidence and knowledge of staff to support offenders with financial issues.</p> <p>70% had used information to help offenders with ad hoc questions.</p> <p>10% had delivered formal training sessions to offenders.</p> <p>Training provided by prison staff was well received by offenders</p> <p>It is important that staff are able to provide practical support around complex issues</p>
Prison setting	<p>266 offenders received advice surgeries and 553 attended workshops</p> <p>Logistical problems were encountered moving around the</p>

	<p>prisons.</p> <p>Most (80-87%) rated workshop topic areas as extremely/very useful.</p> <p>Improved confidence and knowledge of offenders.</p> <p>Many offenders planned to take action, some had done so.</p>
Probation setting	<p>36 workshops were delivered for 68 offenders. 180 Gateway assessments were carried out. 94 Offender Managers trained.</p> <p>Significant challenges encountered getting both offenders and offender managers to attend.</p> <p>Most offenders rated content of workshops as extremely/very useful.</p>

Source: Howard, A. and Older, C. (2010) Financial Capability and Inclusion Seminar: Working with Offenders. 17th March 2010.

The present review

This review has sought to highlight case studies of 'best practice' in the provision of both pre-release (prison-based) and post-release (community-based) offender financial capability support. CRESR have consulted a wide range of policy makers and practitioners. In terms of the former, we have contacted: NOMS; the FSA; the Learning and Skills Council; the Legal Services Commission; the Department for Work & Pensions and Jobcentre Plus. Key providers have included: the National Association of Reformed Offenders (UNLOCK); the National Association for the Care and Resettlement of Offenders (NACRO); Citizens Advice Bureau; Credit Action, Lincolnshire Action Trust; Toynbee Hall and the National Institute of Adult Continuing Education (NIACE).

A template was developed to help standardise the collection of data. The accompanying 'best practice' guide provides full details on each intervention. The review identified five well regarded initiatives. Table 2 summarises some of the key features of each.

Table 2: Key Features of Offender Financial Capability Support Interventions

Identifier	Developer	Content
Working Money	Lincolnshire Action Trust	Delivers 12 guided hours over 3 consecutive days. Learners work through a series of practical activities, looking at the options for paying bills. The course uses imitation money so that prisoners can calculate their expenditure and 'pay' bills to the banker.
UNLOCKing Financial Capability	UNLOCK	Delivered over 2 days. Key components include: introduction; basic banking (using a bank account, handling cheques, avoiding bank charges); advanced banking (standing orders and direct debits, electronic money transfers, telephone and internet banking); managing money (understanding a bank statement, budgeting, debt); conclusion (issues for former offenders, insurance & mortgages, signposting to free support). It can be delivered in three forms: intensive stand alone course; modular stand alone; to support existing money management courses.

Better Thinking About Money	Credit Action	The course is highly visual and is based around a DVD of images (power point style). It comprises six two hour modules. These deal with: attitudes to money; managing your money; creating a budget; getting more fun from your money; saving and borrowing; debt.
Lets Talk About Money	NIACE	This is a campaign to raise awareness of financial issues amongst offenders and ex-offenders. It has three parts: a poster campaign; the provision of free workshops; and the development of a leaflet and booklet which have been sent to all prisons and probation areas in England and Wales. The 'Money Guide' booklet contains information on: where your money comes from and where it goes; benefits and grants; keeping track of your money; tackling debt; how to look after your money; saving your money; Chip and Pin; protecting your identity; your credit history explained; insurance; and signposting to sources of additional help.
Money Skills	West Yorkshire Trading Standards	The course consists of five units and takes approximately three hours to complete. The units include: necessities versus luxuries; bank statements; loans; credit reports; the game. The units are based on a series of characters representing a selection of 'real-life' scenarios: a school leaver; a university student; a recent graduate; a single parent; a business woman; a member of the armed forces. Groups examine the lifestyles, spending habits and credit needs of different characters scoring points by making informed choices based on what they have learnt.

The continuing development of interventions

Many interventions have now gone through several iterations with providers making changes to course content in the light of experience. The key changes include:

- the continuing development of interventions has often prioritised making them more **interactive**. The 'UNLOCKing Financial Capability' course has, for example, incorporated interactive tools such as a virtual cash machine
- interventions targeting offenders with poor basic skills have often been of a **highly visual** nature. However, it can be difficult to strike the right balance. The use of cartoon images in the 'Better Thinking About Money' course was, for instance, discontinued because some prisoners felt that it was condescending
- many courses have become **modularised** to help delivery in different environments e.g. open prisons, community-based provision
- the indications are that **female prisoners** may have greater experience of handling money and budgeting. The 'Working Money' course found that this group had good knowledge of opening and using bank accounts. Some male prisoners have also reported that their wife/partner had full control of domestic finances
- it has been necessary to change some of the activities to make them more relevant to female prisoners. The 'Working Money' course changed the nature of sample **job advertisements** and included a greater emphasis on the cost and availability of childcare when considering the financial implications of employment

- the designers of the 'Working Money' course have progressively provided more information about **how to respond to letters and phone calls from creditors**, the **rights and responsibilities of debtors**, and how to contact creditors
- some provision has been updated to include data on **plastic cards** and **internet banking**
- work is currently underway in West Yorkshire prisons to make '**Money Skills**' more relevant to the needs of offenders. This might entail creating a new character for the game; extending the units of work; or giving the project a new look.

Best practice

Identifying 'best practice' with regard to interventions that have been developed quite recently and have not been independently evaluated is problematical. Consequently, this exercise has drawn upon the perceptions of both policy makers and practitioners. Nevertheless, several key elements of 'best practice' have been identified:

- provision must proceed from a close identification of the **needs** of individuals for support. Local staff are often in the best position to identify the particular needs of clients
- robust **assessment** and **selection procedures** must be employed to ensure that those most likely to benefit from provision are chosen
- making attendance **compulsory** may improve the reach of interventions but may compromise their ability to secure the active participation of offenders
- many prisoners have poor **basic skills**. It is, therefore, important to provide sufficient information in a way that is easy to understand, enjoyable yet still informative
- the use of **games** can help to make provision enjoyable and informative
- providers should encourage an **informal atmosphere** to encourage active participation
- training should be **interactive, participative** and **informal**. Offenders often dislike being 'taught' in classrooms
- course delivery should use **many training methods** to engage participants
- tutors must display **empathy** with the client group
- provision must be **flexible** in order to meet the needs of particular audiences e.g. male or female prisoners; and particular environments e.g. different categories of prison
- the deployment of **peer supporters** offers an opportunity to overcome some of the problems of working in prisons such as the lack of flexibility and resources. Peer support offers purposeful activity for prisoners and can help individuals gain vocational qualifications e.g. NVQ Level 3 in Advice and Guidance. However, it presents several challenges including finding individuals with the requisite skills, motivation and trustworthiness
- the award of **certificates** may encourage a sense of achievement
- pre-release interventions should be should be integrated with other relevant **resettlement support** e.g. help finding work, accommodation etc.

Key lessons

The last few years have witnessed a growing focus on improving the financial capability of offenders, former offenders and their families. The FSA has, for example, a high level

offender strategy which commits it to working with NOMS and delivering a national training programme for professionals working in prisons. Nevertheless, some of those consulted have drawn our attention to the continuing low priority attached to the 'Finance, Benefit and Debt' pathway. The Lincolnshire Action Trust reported, for example, that this had made it especially difficult to embed provision within the Probation Service. However, the view of many providers is that finance should be prioritised since it often underpins criminal behaviour.

Effective approaches to addressing the financial problems of offenders should comprise three key elements:

1. **Practically focused information and training.** This can be delivered pre-release or post-release by a wide range of agencies including prison officers, tutors, third sector workers and peer supporters. Organisations such as the National Association of Reformed Offenders and Lincolnshire Action Trust provide training to enable others to deliver their courses. A range of resources developed by NIACE (leaflets, Money Guides etc.) is available at: www.wmld.org/pages/finance-debt-and-benefit. This may be effective at raising awareness and confidence and equipping individuals with some basic financial skills.
2. **Basic skills provision.** Many offenders have poor basic skills - 37% of the prison population has a reading age at or below that expected of an 11 year old (Social Exclusion Unit, 2002). An inability to make basic calculations will prevent effective budgeting even if the individual has become highly motivated to address their financial needs. This support may be provided by a range of providers including colleges.
3. **Individual face-to-face provision** to help individuals with specific financial issues. This may typically be delivered by the Citizens Advice Bureau or other providers as a free legal service. *De Meza et al (2008)* suggest this may be a particularly effective approach. It can help offenders overcome a financial crisis but rarely builds their own capacity to avoid future crises.

References

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