

## Improving the financial capability of offenders: A summary of Key findings and Lessons Learned





## 1. About this publication

This document summarises the key findings from the research report, *Improving financial capability among Offenders: An assessment of three programmes delivering financial capability training to offenders* (May 2010).

The research was commissioned by the Financial Services Authority's (FSA) Financial Capability division in September 2009, to assess the effectiveness of three interventions aiming to improve the financial capability<sup>1</sup> of offenders.

This report will be of interest to:

- policy-makers in the criminal justice sector;
- those who design and deliver financial capability initiatives for offenders; and
- money advisers and debt counsellors.

Our research papers are intended to develop thinking and stimulate interest. They may sometimes contain ideas that reflect the authors' views and which are not necessarily those of the UK Consumer Financial Education Body (CFEB).

## 2. Background

### The role of CFEB

In the Financial Services Act 2010, the Consumer Financial Education Body (CFEB) was given the statutory responsibility to enhance:

- the public's understanding and knowledge of financial matters (including the UK financial system); and
- the public's ability to manage their own financial affairs.

We have taken over the leadership of the National Strategy for Financial Capability from the FSA. This is delivered in partnership with the government, industry and the third sector.

We provide free, impartial advice online and over the phone. We also offer face-to-face appointments in several priority areas across the UK; these will be available nationwide from spring 2011.

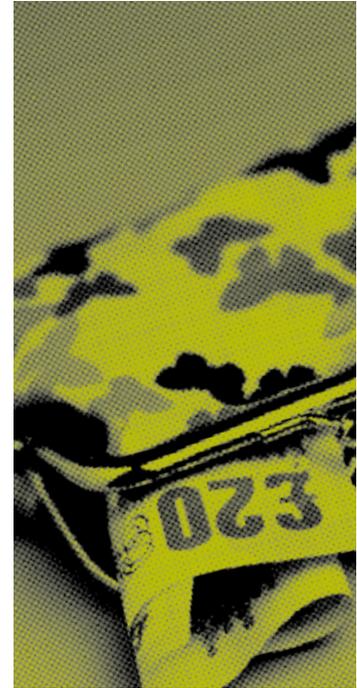
To reach people at the right time in the right place we deliver these programmes in partnership with:

- industry;
- consumer groups;
- professional bodies;
- voluntary organisations;
- government; and
- the media.

For example, we work in partnership with midwives, children's centres and family support workers to distribute the *Parent's Guide to Money* and our advice service. This helps ensure new and expectant parents are confident they have the essential financial skills at this key life stage.

### Our work with offenders

One group we target are those who come into contact with the criminal justice system. At any one time there are approximately 89,000 prisoners





in the UK, and over 400,000 offenders are serving their sentence in the community or have left prison in the last three years<sup>2</sup>. We recognise that offenders represent a vulnerable group in our society and are particularly prone to financial problems.

In 2002 the Social Exclusion Unit<sup>3</sup> published a report highlighting that many prisoners have a history of finance related problems, which get worse while in prison and leave them penniless on release<sup>4</sup>. Before entering prison nearly a quarter said they needed help with benefit and debt problems, and on release one-third said their debt problem had worsened while in prison<sup>5</sup>.

More recent research shows little sign of improvement. In 2008 the National Offender Management Service (NOMS) Cymru assessed 41% of prisoners have a finance, benefit and debt need<sup>6</sup>. Research by the Prison Reform Trust (to be published shortly) highlights the negative effects of a criminal conviction on personal finance throughout the criminal justice process: from being convicted, going to prison and serving a prison sentence to leaving prison and resettling into the community.

Not only does a conviction create and exacerbate financial problems, it is also argued that finance is linked to re-offending behaviour. The Social Exclusion Unit report stated that over half of prisoners are re-convicted within two years of leaving prison, with offending by ex-prisoners costing society over £11 bn a year. This report listed finance, benefit and debt as one of seven fundamental issues contributing to re-offending.

Recognising the extent of this problem, the government launched the *Reducing Re-offending Delivery Plan* in 2005. NOMS has taken forward this plan, working through seven interrelated areas they believe will reduce re-offending. These areas are:

- accommodation;
- skills and employment;
- health;
- drugs and alcohol;
- finance, benefit and debt;
- children and families; and
- attitudes, thinking and behaviour.

### 3. Interventions to improve the financial capability of offenders

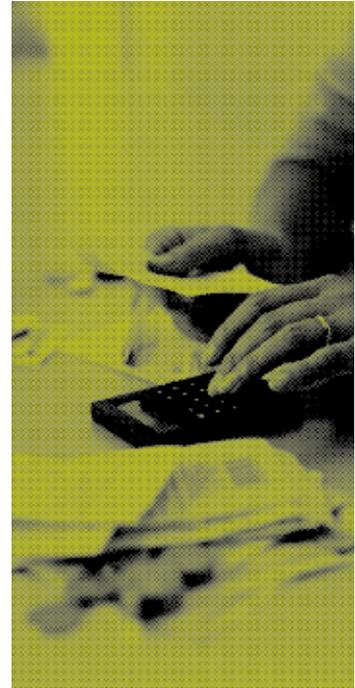
Recognising the links between the FSA's strategy for financial capability and NOMS's commitment to reduce re-offending by addressing finance, benefit and debt issues, a decision was made to work in partnership. In 2008 the FSA and NOMS jointly funded two educational interventions aimed to improving offenders' financial capability and inclusion, one in a prison setting and one in a probation setting. Both programmes involved delivering financial capability guidance directly to offenders through workshops and one-to-one advice sessions.

In 2008/9 NOMS funded the crime reduction charity, Nacro, to develop a training course for prison staff to equip them with the skills and knowledge to deliver financial capability guidance to the offenders they work with. We have taken over the funding of this training programme from the FSA, which is now accredited and available to all professionals working with offenders until March 2011.

All three programmes focused on the following core areas, identified as relevant and appropriate for offenders' financial needs:

- benefits: which benefits can be claimed and where to get help;
- budgeting: its importance, how to create a budget and tips for cutting costs;
- dealing with debt: its importance and how to get help;
- banking: the advantages of a bank account and how to open an account (e.g. completing forms and providing ID); and
- insurance: the importance of declaring unspent convictions and where to get help.

Further detail about each of these programmes will be outlined later in this document.





## 4 Assessing the interventions

In September 2009 the FSA's Financial Capability Division commissioned Ipsos MORI Research Agency to assess the three programmes by examining:

- Reach: How many offenders have been reached by each project, and which has the greatest reach?
- Content: Is the content of the training programme or materials appropriate and relevant to this audience?
- Process: Have the processes employed worked? Is one process more effective at achieving positive 'outcomes for offenders' and 'reach' compared to another?
- Outcomes for offenders: Do offenders feel they have increased their knowledge and confidence in relation to their finances? Have they taken action? Is one project more successful than another at achieving this?

The projects were assessed using several research methods:

- qualitative interviews were conducted with offenders and project staff;
- quantitative questionnaires measured outcomes before and after accessing each intervention; and
- management information was collected from each programme, detailing the number of offenders and staff accessing the various training and advice sessions.

It is important to note that data obtained using qualitative methods represents individual views and perceptions, and are not representative of the views of all offenders who access the programmes. With regard to the quantitative approach, no comparison group was used, and consequently this research reaches level two of five on the scientific methods scale developed by Sherman et al (1997)<sup>7</sup>.

## 5. Key findings

### 5.1 Staff training

This project is run by Nacro. It is a two-day national training programme for professionals working with offenders, aiming to provide them with the knowledge, confidence and skills to deliver financial capability guidance (through workshops and one-to-one sessions) to the offenders they work with.

To assess this programme, 177 staff completed questionnaires before and after attending the workshop (with a 98% response rate). Of these respondents, 50 (28%) took part in a follow up on-line survey four months after the workshop.

Key findings are presented below.

#### **Training reached a large number of staff**

The project successfully reached a large number of staff working in the criminal justice system, with 245 attending the two-day training course between April 2009 and March 2010 and bookings taken through to the end of 2011.

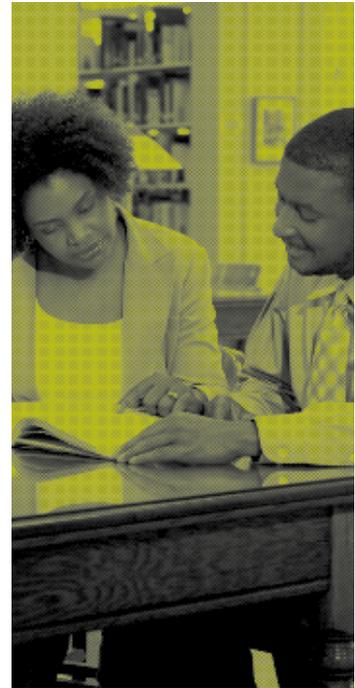
Most staff attended the training during the research period:

- worked in prison resettlement (34%);
- were prison officers (21%);
- Worked in probation' (19%); or
- worked for a voluntary sector organisation (14%).

Most had volunteered to attend the training, recognising money problems were an issue for offenders and wanting to do more to help.

#### **Training resulted in increased confidence and action**

As a result of the training, staff reported increased confidence to provide financial guidance to offenders, with approximately 80% leaving the training feeling confident about their knowledge of the financial issues facing offenders and their ability to provide advice.





Four months after the training, staff were putting their training into practice:

- 80% reported what they had learned as helpful or very helpful;
- 70% had used their training to assist offenders with financial issues;
- 79% went on to share what they had learned with colleagues; and
- 10% had delivered formal group training sessions to offenders.

The research also aimed to understand how many offenders staff had helped as a result of the training. Although sample sizes are too small to be reliable, findings showed nearly one-third of staff reporting to have helped 20 offenders with money matters in the four months following their training (totalling 240 offenders over the four month period).

#### **Offenders responded positively to financial capability guidance**

This research did not include a thorough assessment of the outcomes of staff training for the offenders they support, so further research is required to understand these across the wider offender population. However, mini-discussion groups were conducted with 14 offenders in one female prison. These prisoners had received financial capability guidance through workshops or one-to-one sessions delivered by staff who had attended the Nacro staff training.

Findings showed prisoners responded positively to financial capability guidance, with workshops raising awareness of financial issues often overlooked or not seen as a high priority by offenders.

Following the sessions some offenders had taken action in relation to their finances, such as opening a bank account and contacting an insurance company. Others had asked their family to send bills and debt correspondence to the prison in order to talk them through with prison staff and to correspond with providers on their behalf. Offenders were positive about this experience, feeling it had helped relieve the burden from their family.

#### **Recommendations from offenders**

Offenders were happy for the workshop to be provided by prison staff if the training is consistent and of an acceptable standard. Some offenders would like to have access to the Citizens Advice Bureaux to deal with more complex financial issues that may arise. Recognising that staff may need additional support to deal with complex financial issues, Nacro offers a telephone helpline, which receives approximately 30 calls per month from staff that have completed this training.

While workshops raised awareness, this led to feelings of concern for some as offenders became aware of immediate financial issues, such as cancelling bills and informing banks and insurance companies of their situation. To deal with these concerns it is recommended that workshops are solution-focused, and offer one-to-one sessions so staff can provide hands-on support.

The topics covered were generally well-received, often including areas offenders had not previously considered. The most useful topics included the 'cycle of debt' and how to deal with fines and bills. However, offenders were also interested in further information about bailiffs and bankruptcy.

### Conclusion

Overall the programme met its objective by providing the skills and knowledge to prison staff by enabling them to deliver financial capability guidance to the offenders they support: with four out of five leaving the training feeling confident and able to provide financial capability guidance to offenders; and 70% of those participating in follow-up research four months later, using their training to help offenders.

Further research is recommended to fully understand the outcomes of training staff on the offenders they support. However, from the small number of offenders interviewed, guidance provided by prison staff was well-received and raised awareness of financial issues often overlooked by offenders, with some taking action to improve their financial situation.

## 5.2 Prison Setting

This project was delivered by Vale of Glamorgan Citizen Advice Bureaux (CAB) with NOMS Cymru in two prisons in South Wales. It involved group financial capability workshops and one-to-one advice sessions delivered directly to prisoners. Prison staff and peer guides (prisoners trained to act as mentors to other inmates) also took part in other workshops, so they could raise awareness of offenders' financial needs and be encouraged to refer prisoners to CAB workshops and advice sessions.

To assess this intervention, 254 offenders completed questionnaires before attending workshops (75% response rate), and 225 completed questionnaires directly following workshops (65% response rate). Nineteen qualitative interviews were conducted with offenders after attending a workshop and 16 after one-to-one advice sessions.

Six prison staff and eight peer guides were also interviewed, along with the project manager.





**Key findings from this research are outlined below.**

### **Reaching offenders**

The programme met its target<sup>8</sup> with 213 offenders attending workshops in year one (April 2008 – March 2009) and 340 in year two (April 2009-March 2010). A further 266 offenders attended one-to-one advice sessions.

### **Offenders reported increased confidence**

Measures of confidence before and following workshops were positive, showing a dramatic increase in all aspects of financial capability measured. The greatest increase surrounded getting insurance and mortgages when you have previous convictions, with those scoring their confidence as high increasing from 9% before the workshop to 58% afterwards. Confidence in dealing with debt rose from 17% to 45%, knowing where to get money advice and help rose from 24% to 69%, and opening a bank account from 38% to 60%.

### **Positive action was taken by offenders**

Many offenders left workshops motivated to budget or save money when they are released. Others intended to disclose convictions to insurance providers to ensure policies were valid.

In follow-up interviews many stated they had taken action following the workshops by starting to budget, cut back on non-essential items, and devised plans to repay debt. Qualitative interviews also showed evidence of practical action after one-to-one advice sessions. These included writing to the council to postpone paying council tax, writing to a loan company to postpone repaying debt and contacting HMRC to request a tax rebate.

### **Barriers and logistical challenges**

Although the programme achieved positive outcomes for offenders, there were several barriers and logistical challenges project staff had to overcome to successfully deliver in a prison setting. The following highlight some key points to consider when delivering financial capability programmes in this environment:

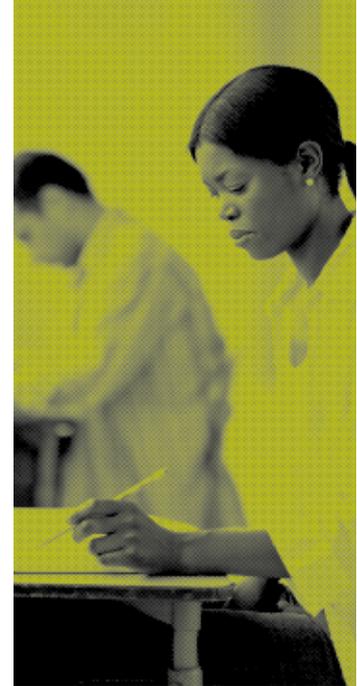
- Achieving senior management 'buy in' is vital to delivering the programme smoothly in a prison setting. This is enhanced by a single point of contact in the prison responsible for implementing the programme.
- Ideally project staff should be based within the prison. This would have several advantages such as removing delays in accessing the prison, and removing the reliance upon prison staff to facilitate the appointment process, book rooms and to accompany project workers around the prison.

- It was valuable to have workshops integrated into the discharge process.
- A lack of telephone and internet access proved problematic during advice sessions, as the CAB could not update their systems or contact providers and external companies on the offender's behalf until outside the prison. This resulted in a delay and a greater administrative burden for the CAB.

The assessment also highlighted other challenges faced by the project, in particular engaging prison staff to participate in the training proved difficult often due to concerns regarding increased workload. The high turnover of prisoners also meant a limited number of trained peer guides were available. Please see the full report where these challenges, along with how they can be overcome, are detailed in depth.

### Conclusions

Overall, this programme delivered positive outcomes for offenders with many reporting increased confidence in their financial capability and taking, or planning to take, action to improve their financial situation. However, there were barriers and logistical challenges to putting the programme into practice with its success largely at the mercy of the prison regime or achieving sufficient 'buy in' from senior prison staff.



## 5.4 Probation setting

This programme was delivered by Portsmouth District CAB in partnership with Hampshire Probation Service and the South East Director of Offender Management office. It involved delivering one-to-one advice sessions and group financial capability workshops to offenders serving their sentence in the community. Training sessions were also given to offender managers to raise awareness of offenders' financial capability needs and to encourage them to refer offenders to CAB workshops and advice sessions.

To assess this programme, offenders completed questionnaires before and after workshops. Unlike the prison-based project which delivered a one-day workshop covering several topics, this delivered seven, two-hour sessions that covered different financial capability areas. Therefore, different questionnaires were administered at each workshop. Unfortunately, sample sizes were low, reflecting the low numbers of offenders trained, with 21 offenders on average completing questionnaires before and after each workshop (15 – 43% response rate). A small number of qualitative interviews were conducted with six offenders after workshops and five after one-to-one sessions.



Telephone interviews were also conducted with 35 offender managers immediately after their training and 32 four months later.

Findings are as follows:

### **Reaching offenders**

The CAB faced many challenges in getting offenders to attend financial capability sessions while serving their sentence in the community. The original proposal was for offender managers to refer offenders to the project where appropriate. The CAB would then assess offenders' needs and book them onto a suitable financial capability workshop. In practice, although many offenders were referred (321), just over half attended the initial assessment (180) and even less attended financial capability workshops. As a result the programme changed approach and delivered workshops in approved premises (hostels occupied by offenders following release from prison) and offered one-to-one financial capability sessions to offenders directly following their initial assessment.

Despite this change in tactic the number of offenders reached by the programme remained low, with 68 offenders attending workshops and 82 attending one-to-one training from April 2008 – March 2010.

There were several recommendations to tackle the low take-up of training:

- building training into sentence planning;
- engaging with offenders during probation induction sessions; and
- increasing the programme's profile in the probation service.

Numbers may have also been improved by offering one-day workshops covering all areas of financial capability, instead of a series of seven workshops in the hostels. The resources needed for a series appeared to be great, with little improvement in terms of outcomes for offenders.

### **Outcomes for offenders**

From the small sample of offenders who took part in this research, findings showed some positive outcomes in terms of increased confidence and knowledge surrounding the financial capability topics covered. However, these were not universal with decreases in knowledge and confidence in some areas.

In terms of action, a few offenders focused on finding further advice or information, and had used their learning to open a bank account, exercise their banking rights and to help their family members.

**Offender manager training**

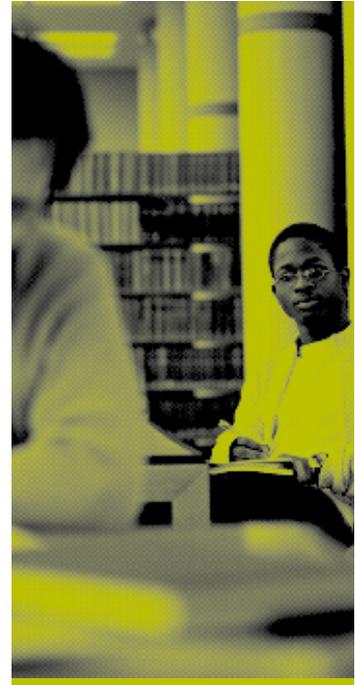
In total 94 offender managers received training between April 2008 and March 2010, failing to reach the targeted 200 in the first year and 70 in the second.

The CAB faced challenges engaging offender managers in the training and it was felt this was due to their busy workloads and a lower priority given to financial capability in comparison with other needs of offenders. It is proposed that increasing the programme's profile in probation, along with gaining senior management 'buy in' would increase participation.

Of the offender managers who attended the training, findings from the 35 initial interviews show them to report feeling more knowledgeable about the financial issues offenders face with increased confidence to help offenders deal with these issues. At the four-month follow-up, just over half of the 32 offender managers interviewed had used their training in their work. One-third had yet to do so. It is recommended that training should be targeted at those who can apply their learning in their current role, and attendees should be given opportunity when they return to work to put their training into practice. Again senior management 'buy in' should facilitate this recommendation.

**Conclusions**

Overall this programme was not as successful as originally hoped, with many barriers to delivery, the biggest of which was engaging with offenders in this setting. Despite this, the programme provided rich learning and suggestions that could prove fruitful for developing financial capability interventions for offenders serving their sentence in the community in the future.





## 6. Overall conclusions

Returning to the original assessment criteria outlined in Section 4, the following conclusions can be made.

In terms of 'reach', both the prison setting and staff training programmes met their targets. Unfortunately the probation project didn't meet its target, reaching only 150 offenders over the two-year project through workshops and one-to-one training sessions.

The content was relevant and appropriate, on the whole being rated positively across all programmes.

In terms of 'process', as outlined above, this research showed both staff training and delivering financial capability guidance in a prison setting are effective ways to reach offenders. Both projects illustrated positive outcomes for offenders; however, further research is recommended to understand the impact of staff training upon offenders more widely.

With regard to the processes employed in the probation project, this did not provide sufficient reach, and the outcomes for offenders were varied.

## 7. Lessons learned from all three programmes

The following section outlines several lessons that can be learned from all programmes worth consideration when delivering financial capability guidance to offenders.

### Format

Workshops proved a better vehicle than one-to-one sessions as they reach a larger number of people proportionate to the resources invested. This is particularly as only one trainer is needed to lead a session, which can involve multiple participants. Evidence indicates workshops have an impact on financial capability by increasing offender's general confidence and by providing a forum for discussing relevant issues. There was also little resistance by offenders to the group approach on the grounds of privacy.

However, workshops on their own have two drawbacks:

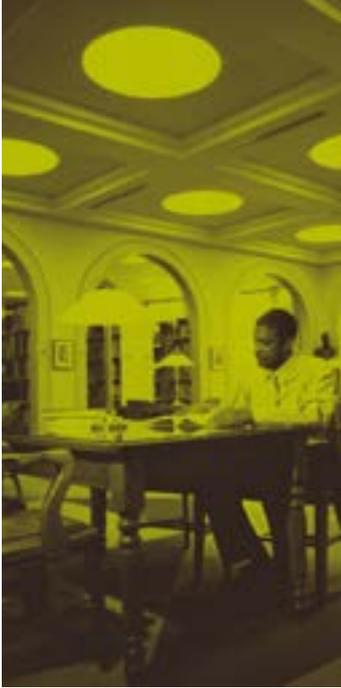
- they do not address individual issues – particularly 'crisis management' needs; and
- they do not always deal with issues of relevance in sufficient depth.

Therefore, the research shows that, while workshops could form the primary vehicle for financial capability training, they should ideally be offered in combination with one-to-one sessions. One-to-one sessions had positive outcomes by helping offenders solve immediate financial concerns, which in some cases produced a sense of empowerment to solve other problems and obtain further help or advice if needed.

### Timing

In terms of timing of interventions, this research highlighted the importance of providing different information at different times during the sentence. On induction to prison it is important to help support offenders with urgent issues such as cancelling mobile phone contracts and informing mortgage providers. A workshop at a later date could then complement this by providing knowledge which will be beneficial when released from prison, e.g. as part of the discharge process. Finally, training after release from prison was also considered to be appropriate so offenders have access to information and guidance when they were likely to need it most.





## Organisational 'buy in'

All programmes demonstrated the importance of achieving buy-in from senior management and staff. First, staff may need encouragement to enrol in training to ensure that not just those already engaged come forward. After training staff also need encouragement from management to put their training into practice.

Second, when delivering programmes in prisons, senior buy-in is vital to ensure they run smoothly and that different departments communicate well and provide appropriate and consistent facilities for project staff to deliver the service.

Finally, findings indicate many potential barriers to attendance at financial capability training. Some offenders see finances as low on their list of priorities, and when in prison offenders appear to feel removed from everyday reality, possessing a false sense of security. However, once aware of the issues many realised how important finances were. Therefore having compulsory sessions (as part of a sentence or discharge process) could potentially be a way to overcome barriers to attending and senior buy-in would be important in achieving this.

## 8. Building on these findings

These findings have provided useful learning for both NOMS and us, giving us an insight into what works, with practical guidance to overcome the challenges faced when delivering financial capability interventions in this area.

Based on these findings, we have continued to fund the staff training programme with the aim to reach a further 330 professionals working with offenders, giving them the skills and knowledge to deliver financial capability guidance to offenders. Along with this, NOMS Cymru has provided on-going funding to deliver the financial capability intervention in the two prisons in Wales.

We also have the following plans to progress our work in this sector which include:

- piloting our national financial advice telephone service in prison and probation settings to ensure offenders have access to free, impartial financial advice;
- offering our *Make the Most of Your Money* workplace seminars to prison and probation staff to develop their own financial capability, putting them in a better position to support the offenders they work with;
- continuing to work closely with NOMS to shape policy and commissioning, based on what works, in order to build the financial capability of offenders; and
- publishing a guide for Citizens Advice Bureau and others working with offenders on financial capability, with NOMS and Citizens Advice.

We hope that with these plans we can make a real difference to offenders and their families, improving their financial capability and helping NOMS achieve its goal to reduce re-offending as a result of finance, benefit and debt needs.





## References

- <sup>1</sup> Financial capability means being able to manage your money, keep track of your finances, plan ahead, choose financial products and stay informed about money matters. For more information please see <http://www.cfebuk.org.uk>
- <sup>2</sup> Ministry of Justice Offender Management Caseloads Statistics 2009, July 2010.
- <sup>3</sup> (2002) Social Exclusion Unit, reducing re-offending by ex-prisoners [http://www.gos.gov.uk/497296/docs/219643/431872/468960/SEU\\_Report.pdf](http://www.gos.gov.uk/497296/docs/219643/431872/468960/SEU_Report.pdf)
- <sup>4</sup> Home Office, Criminology Survey: drugs follow-up, 2001 (unpublished). Short-sentenced prisoners using drugs prior to prison. Cited Social Exclusion Unit, reducing re-offending by ex-prisoners (2002), [http://www.gos.gov.uk/497296/docs/219643/431872/468960/SEU\\_Report.pdf](http://www.gos.gov.uk/497296/docs/219643/431872/468960/SEU_Report.pdf)
- <sup>5</sup> Social Exclusion Unit, 2002.
- <sup>6</sup> NOMS Cymru, from assessments of OASyS (Offender Assessment System) data in 2007/08.
- <sup>7</sup> Sherman, L.W., Gottfredson, D.C., MacKenzie, D.L., Eck, J., Reuter, P. and Bushway, S.D. (1997) Preventing Crime: What Works, What Doesn't, and What's Promising. Washington DC: National Institute of Justice, US Department of Justice. Please see this for further information as to how this scale is used to evaluate the robustness of research methodologies in the field of crime prevention and the implications for this research.
- <sup>8</sup> Targets for all three programmes were set by project leads based on their experience of working in a similar setting.



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