



Financial Capability for Older People.

NIACE, the National Institute of Adult Continuing Education, was funded by the DfEE between Autumn 1999 and February 2000 to examine the numeracy needs of older people.

NIACE led this project working with a London borough's adult education service, Help the Aged and the Basic Skills Agency. Based on projects and policy work we have devised the following financial capability materials specifically for older people.

Old Money: financial understanding for older adult learners. Carlton, S. Soulsby, J. and Whitelegg, D. NIACE, 2002. ISBN 1862011656

Promoting financial capability provision for older people – August 2005.

This briefing sheet takes account of the changing personal, financial, management skills required by older people.

A briefing sheet for:

- Education providers and community workers
- Organisations and services working with older people
- Local Education Authorities and Local Learning and Skills Councils (LSCs)

http://www.niace.org.uk/information/Briefing_sheets/63-Financial-capability-older-people.pdf

Financial Educational Curriculum for Older Learners

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<http://www.niace.org.uk>

Acknowledgements: Hind, Gill. Soulsby, Jim. Walker, Joanna. Whitelegg, Diana. Williams, Stephen. and Worrall, Paul .

AN OUTLINE OF A FINANCIAL EDUCATIONAL CURRICULUM FOR OLDER LEARNERS

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1. Summary of Key Points

1. The issues surrounding financial services, products, management and transactions are complex and diverse and often involve the interconnection of various financial systems and procedures.
2. The range of skills to be covered within a financial literacy curriculum is extremely broad.
3. The financial literacy needs of older people will vary widely according to life stages (health, living arrangements, and employment situation) ability, dependency, gender and ethnicity. In responding to those needs the appropriate curriculum has to be considered. If specific materials are used they must be up to date. If generic materials are used then their appropriateness must be considered and appropriate guidance as to their usage offered.
4. The delivery of financial literacy programmes will require a co-ordinated approach between learning providers, advice organisations and financial institutions.
5. Older people must be utilised as a resource in learning programmes in order to draw on their experience; strategies and skills already developed.
6. Learning programmes should be delivered within a range of environments and contexts most appropriate to older people at various stages in their lives.
7. Programmes should be developed in consultation with appropriate community organisations and professionals working with older people.
8. Learning materials should be available in a variety of formats appropriate to the requirements of groups and individual learners.
9. Decisions regarding accreditation of courses should be based upon the needs of the learners not on issues of funding.
10. The use of older people as 'mature money mentors' is worth exploring.

2. Introduction

How the Financial Literacy and Older People (FLOP) Curriculum came about

The report produced by NIACE for the Department for Education and Skills in September 2001 set out to create a financial literacy resource for older people that could be delivered in basic skills and adult education settings, mapped to Adult Basic Skills Standards to make funding easier and with guidance notes as to its use. The focus groups, which were part of the report made known their concerns and it became obvious that the agenda was broadening – many older people wanted information to help make specific decisions around particular problems and issues. In addition it became apparent that older people were not present in any significant numbers in current basic skills provision. We then considered how we could highlight relevant issues and solutions and offer them within different scenarios with or without ‘expert’ intervention. At the same time there was a need to acknowledge that printed or even on line information was not always trusted even if understood. For many older people the personal touch was required but not necessarily in a formal adult education/basic skills setting. A need to try to satisfy several agendas therefore developed within the project. In surveying local adult education authorities and indeed in our own planning meetings a range of materials were found and many of these reinforced the issue of generic materials versus specific. Most LEAs in responding to financial literacy issues had been using generic materials and indeed in generic approaches as it was believed that targeting and responding to specific communities can actually add to their marginalisation. In addition “issue based” cohort specific materials quickly date, yet their specificity might be just what was required to let a diffident potential older learner, or older person, with a problem appreciate that their problem was understood, shared and could be solved.

However we felt that identifying the situations when generic materials and approaches would be required was crucial. From this came the consideration that a life stages approach could be the best way to move things forward as such an approach was user/learner/older person centred and drew together the expertise and information relevant to their circumstances. In addition it was of particular importance to emphasise the positive aspects of life stages as it was found that within older people’s settings, there was a greater emphasis on the negative aspects of life stages. It was also important to remember that we were trying to respond to the needs of ‘today’s’ older people not to those of tomorrow.

A number of resources have been produced by a variety of organisations, for example NIACE has produced the Money Matters to Me web-based resource, and the Basic Skills Agency have produced a range of materials to support the development of literacy and numeracy within a financial context, and these materials could form useful support material for tutors.

It is obvious that there is no one single right way of improving the financial literacy skills of older people, to better respond, to their needs. It is crucial that the presentation of any one solution recognises and interlinks with other solutions.

How does Financial Exclusion impact on Financial Literacy for Older Learners?

In the early 1990s, when financial exclusion first began to emerge as a term in debates, it tended to be discussed mainly in terms of 'geographical access' to financial services, in particular the number and location of financial retail outlets. However, by the late 90s, this emphasis had widened to identify some of the other facets of financial exclusion so that it came to be acknowledged that individuals were being excluded by factors such as price, the process of risk assessment, conditions attached to financial products, marketing or self-exclusion.

The report commented on research which had shown that approximately 7% of households in Britain did not have any mainstream financial services and 20% have only one or two financial products. (Government *Financial Resources Survey*) However, there has been a steady increase in the use of financial services of all kinds. In 1975 45% of adults held a current account. By 1998, this had risen to between 80 – 85%. There has been a similar growth rate with other products. Driven by complex and multiple socio/economic factors, together with changes within the financial services sector, it is this increased 'inclusion', however, that has served to marginalise and exclude a minority of individuals and households.

Whilst a majority of people have experienced a significant increase in living standards over the last 20 years, with the average income increasing by 40%, this income increase has by no means been evenly distributed. The incomes of the poorest 10% of the population have actually fallen by 8% after housing costs are taken into account. (*Joseph Rowntree Foundation*) In addition, pensioners are likely to be included in the poorest income groups (which include lone parents, those without earnings, those employed on low wages and a disproportionately high number of people from ethnic minority groups).

There has also been significant a change in the labour market over the past 20 years and most significantly, an enormous expansion in the 'flexible' labour market. Research (*Bayliss 1997*) states that 70% of jobs created in the first five years of the last decade were not full time and permanent. People are working within a context of various employment arrangements whether it be part-time work, temporary or short-term contracts, self-employment, job-sharing, portfolio or home-working. People are moving in and out of the labour market for varying periods of time and for various reasons. More people are claiming benefits or are caught in the trap between low-paid work and unemployment. Alongside this shift in labour market flexibility is a growth in the gap between high and low pay, a decline in the number of employees paid in cash and an increase in the number and proportion of women in the labour market. The complexity of managing the financial systems involved in these types of shifts, including tax, national insurance, pension schemes, loans, grants and social security should not be underestimated. It also suggests that many people are approaching old age with insecure income and investment because of their broken work and savings life.

Demographic changes also affect financial exclusion. For example, more people are living longer and a gap has been identified between mainly older pensioners with very low incomes who have always operated in a cash economy, and younger pensioners with incomes from personal pension schemes, investments and as a consequence of home ownership.

The increase in home ownership has brought with it implications relating to financial inclusion. Whilst home ownership can bring the benefit of enjoying easier access to financial products, it can also bring increased risk of financial difficulties – many older people particularly widowed women are asset rich but cash poor and not in a position to improve or maintain their home. It also brings with it, concentrations of people in social rented accommodations, creating pockets of high unemployment and low income often including pensioners. Throughout the 80s and 90s public utilities were de-nationalised and many council houses sold. The role of the state was reduced and welfare reform shifted the onus of responsibility onto the individual to make their own provision privately. This philosophical shift has also permeated into the realms of education where adults are expected to manage for themselves a process of continued learning, including the operation of Individual Learning Accounts. The emphasis was on the individual and competitiveness to the exclusion of communities and mutual support and co-operation.

Within this climate of individual responsibility, financial service providers were encouraged to develop new products to provide income security following either retirement or loss of earnings. The scale and range of products was further expanded following the re-regulation of the financial system in the 1980s. A ‘hybridisation’ of financial services occurred in which an enormous number of new organisations entered the industry making it highly competitive.

Older People and Financial Literacy

Increased access to information and products alone is insufficient in ensuring greater financial inclusion. Greater demands are also being placed on type and levels of individual’s skills and knowledge. AdFLAG in its report to the Secretary of State for Education and Employment published in 2000 sees the issue of financial inclusion in terms of supply and demand.

“There is a clear need for appropriate products to be available to provide a supply of financial services, especially for the disadvantaged. However, supply is only one half of the equation and unlikely to provide a solution unless people are equipped with the knowledge, skills and confidence regarding their financial needs to make informed decisions about using these products and service.”

Here, AdFLAG is clearly endorsing the definition arrived at in 1992 by the National Foundation for Educational Research as: *“the ability of individuals to make informed judgements and to take effective decisions regarding the use and management of money.”*

This research further pinpointed three core competencies: financial planning, problem solving and decision-making. It suggested that a financially literate person would have:

1. an understanding of the key concepts central to money management
2. a working knowledge of financial institutions, systems and services
3. a range of skills both general and specific
4. attitudes which would allow effective and responsible management of financial affairs
5. confidence to engage in the various and complex processes.

The draft guidance on personal finance within Personal, Social and Health Education (PHSE) in schools is a useful starting point for more broadly defining the term with reference to adults and older adults in particular.

“Financially capable people are able to make better informed financial decisions. They are numerate and can budget and manage money effectively. They understand how to manage credit and debt. They are able to assess needs for insurance and protection. They can assess the different risks and return involved in different savings and investment options. They have an understanding of the wider ethical, social, political and environmental dimensions of finances”

So do adults and older adults in particular have the required level of skills required to avoid exclusion? It would appear that this is not the case. Kempson and Whyley identify several barriers to inclusion:

- *low skills levels*
- *a lack of knowledge*
- *mistrust of suppliers*
- *psychological barriers including confidence*
- *a feeling of loss of control over money.*

They also identify key factors in overcoming these barriers:

- *The provision of appropriate information*
- *Making information available through appropriate channels*
- *Making it easy and attractive for people to learn the skills they need to use that information effectively.*

Further research, commissioned by NatWest UK was carried out by the NFER in 1996 to look at the constituent parts of financial literacy and how it might fit into the National Curriculum for secondary age children. This research reports a “lack of skills” (and consequently a need for help) in four key areas relating to the management of money:

1. *Financial calculations (numeracy skills)*
2. *Interpreting financial information (including literacy skills)*
3. *Understanding entitlements*
4. *Considering alternative (thinking).*

Little is documented up to this point regarding the financial literacy skills of older people as a specific group within the adult population. However, NIACE has been working alongside the Basic Skills Agency and Help the Aged on the financial literacy agenda. This study highlighted the fact that nearly 36% of people over the age of 50 in the survey experienced some or extreme difficulty with financial numeracy skills; 31% experienced some level of difficulty with banking; 38% with credit cards; 26% with shopping and 29% with gas bills. Whilst this was a fairly small-scale survey, it did raise issues worth pursuing in further studies.

Having begun to form a picture of the nature of financial exclusion, it is clear that this will only be rectified through empowering individuals with the necessary skills needed to take control of their own finances. We have also identified that a significant proportion of the adult

population is not in fact equipped with these tools of empowerment. The rest of this report will attempt to demonstrate the implications of this in relation to older people.

What is the need for a Curriculum Framework for Older People?

The potential size and scale of any inclusive financial literacy curriculum is clear. We have seen that older people have to accept increased financial responsibility in various aspects of their lives at a time of great change within the financial world.

A wide range of financial skills, knowledge and understanding is necessary to undertake all the tasks which older people have described themselves as needing to perform in later life, such as, to: -

- ◆ plan for retirement;
- ◆ make smooth transitions between types of work and between work and benefits;
- ◆ start a new business;
- ◆ sort out tax and/or National Insurance contributions;
- ◆ move between various types and styles of accommodation;
- ◆ ensure an adequate pension;
- ◆ make adequate provision for children, grandchildren and elderly relatives;
- ◆ pay the bills;
- ◆ open and close various accounts;
- ◆ re-examine insurance needs: - personal, possessions and health
- ◆ take out loans to increase spending potential;
- ◆ ensure receipt of an array of entitlements through an assortment of complex and changing procedures;
- ◆ manage own learning.

It is important to remember that this is occurring in a climate in which increasing numbers of people are living in poverty. These are likely to include older people either in receipt of a state pension or who may be disabled, in ill health, on low incomes or unemployed and receiving benefits. For an older person simply to ensure that they were receiving the correct entitlement might require them to:

- ◆ have knowledge of what is due and how to apply;
- ◆ ensure that it is paid correctly and at the right time;
- ◆ understand the interplay between combined wages and various means or disability tested benefits;
- ◆ take action to rectify any problems or mistakes arising.

Each financial task undertaken can require not only a multitude of specific skills, but also a raft of information and knowledge that can fox the most numerate and well-educated person.

It is not only the complexity of these individual tasks, transactions and decisions which must be taken into account, but also the interconnection and interplay between the various systems and procedures involved. These are likely to be most complex for those older people who are least well off. This is an aspect of money management that has huge implications for any financial literacy teaching, but one that seems to be often ignored.

3. Background and Rationale

The Role of the Adult Financial Literacy Advisory Group (AdFLAG) Report

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1. an understanding of the key concepts central to money management
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Key Findings which influenced the development of the FLOP Curriculum

- a. *Older people require someone – a person or agency - they can trust and they prefer face-to-face meetings.* With such a range of services available it is important that some coherence is brought to the area and the varied needs of older people for advice, guidance and information be recognised.
- b. *Any guidance to generic materials must cover relevant issues.* For those in education the key is to know how the educational programme has to be relevant to the needs of older people. The curriculum should enable learners to have the opportunity to solve a particular problem and then build confidence and skills as a result. The absence of older people from basic skills classes in any significant number suggests programmes need to be developed where they are likely to be – day care centres, sheltered housing, etc.
- c. *Older people are also a resource.* They have developed survival and coping skills over their lives even if their numeracy and literacy levels may have been basic. The potential of older people as peer mentors is worth considering, especially as there is a considerable focus on this sort of role for older people in our community. It also follows on the model of using volunteers adopted in the pioneering days of adult literacy programmes.
- d. *The increasing use of ICT for services may exclude older people but it can be part of the solution in educational environments.* Ufl/learnirect, Basic Skills Agency (BSA), British Educational Communications & Technology Agency (BECTA) and the Financial Services Authority (FSA) are all currently involved in different initiatives around financial literacy and adults. The relationship between these initiatives should be explored and their use with older people considered.

- e. *Financial literacy is a complex issue which transcends mere money management.*
- f. *Work is required to ensure socially inclusive definitions.* It is also an issue that cannot be left to one authority, agency or Government department to ‘solve’. The development of any future agenda requires the range of responsible bodies working collaboratively.
- g. *Benefits and pensions procedures are complex.* Whilst work is being undertaken to simplify them this is not yet really visible to older people. More sensitive work is required to better understand why many older people do not take full advantage of the monies, benefits, services and concessions available to them. Ignorance, lack of advice, financial illiteracy may well be as important factors as pride.
- h. *The relationship between older people and those who provide financial services and utilities is not seen as good.* There is a perception that services have been created for younger people and the needs of older people ignored. The moves towards greater use of ICT in finance matters may produce ‘ICT poor’ communities of which older people may be a significant part.
- i. *Greater use of life stages could be made to help develop meaningful, linked and relevant services for older people.* However it is important that such developments do not focus negatively on these stages. Such an approach also recognises that older people are not homogenous, but are all at different stages of life with different concerns, problems and opportunities.

The relationship between the FLOP Curriculum and the Adult Financial Capability Framework (AFCaF)

It is clear that there are similarities between the Adult Financial Capability Framework and the Curriculum for Older People. The linkage between the AFCaF and the FLOP Curriculum is shown as a table in Appendix 1:

The Development of the FLOP Curriculum within a wider “Stage Posts” Curriculum

Further work could be undertaken in order to maximise the potential for local strategic community provision for older people using the Stage Posts model as advocated by Jim Soulsby of NIACE. In this model, financial capability would be one of the “jigsaw pieces” which are critical to learning opportunities for older people. Other pieces could include leisure, health, care issues, ICT and basic skills. Further work is proposed on how this wider Stage Posts curriculum can provide relevant, and meaningful, provision in a variety of community settings and also help to address the LSC ambition of encouraging local partnerships as reported in their position document, *Priorities for Success, Funding for Learning and Skills 2006-2008* (LSC 2005) where they state:

“The LSC will build on existing good local practice in planning this type of provision [Adult Learning]. The aim will be true partnerships at local level which will lead to wider participation in this type of learning, drawing in non-LSC funding sources where feasible and involving local communities.”

4. The Curriculum Framework

Following an analysis of the original curriculum aims and their relationship to the Adult Financial Capability Framework and also consultation with a number of people involved in the delivery of financial literacy provision for older people, the following was identified as an appropriate curriculum framework for the FLOP Curriculum.

Curriculum Aims

1. an understanding of the key concepts central to money management
2. a working knowledge of financial institutions, systems and services
3. a range of skills both general and specific in financial management
4. attitudes which would allow effective and responsible management of financial affairs
5. confidence to engage in various and complex financial processes.

Curriculum Objectives

1. Identify personal attitudes towards money and personal financial literacy including: needs; preferences; aspirations; obligations
2. Understand personal financial responsibility and its implications
3. Understand the importance of money at various stages of life
4. Set personal financial goals, plan for short/medium/long-term - monitor, review and adjust plans as required
5. Budgeting - monitor income and expenditure in the long, medium and short term. Review and adjust as required.
6. Maintain systems and documentation for tracking income, out-goings, assets and liabilities
7. Seek, identify, access and collect sources of information and advice
8. Interpret, evaluate, compare and assess products, services and information
9. Understand the role of financial institutions and advisers and the role of other agencies and organisations in providing products, advice and information
10. Be aware of and understand the current economic climate, national monetary policies and shifts relevant to personal situation
11. Understand the mechanisms and principles of managing on a reduced income and maximisation of income
12. Understand the mechanisms and principles of coping with debt issues.

Contexts

1. Concessions, benefits and entitlements relevant to older people e.g. Winter Fuel Allowance; travel concessions.
2. Appropriate savings opportunities– savings accounts, stocks and shares, investments
3. Personal pension provision
 - Wills and bereavement
 - Tax, e.g. Income Tax, Inheritance Tax, Bereavement Tax, N.I. VAT
 - Bank accounts
 - Housing issues
 - Equity release
 - Taking out a loan
 - Mortgages and their implications
 - Bills, comparing providers of utilities, assessing various payment methods, meter readings
 - The need and options for insurance
 - Paying for care and care packages.

Personal Skills

- Decision-making
- Listening
- Influencing
- Lateral thinking
- Self-expression
- Assertiveness
- Identification and solving of problems
- Confidence
- Literacy Skills
- Numeracy skills
- ICT skills and effective use of new technologies.

5. Programme Design

General Considerations

The wish of older people not to be treated as one homogenous group is important here. The financial curriculum needs of somebody in their fifties, who may still be in employment, still paying into a pension scheme, still paying off a mortgage, still fit and active are likely to be very different from someone in their 80s, who maybe in sheltered accommodation or residential care, and disabled or in poor health. It will be easier to cater for the former, not simply because they are much more likely to be accessing existing adult education and much easier to reach, but also the types of topics covered within existing provision will be more appropriate to this age group. This must be acknowledged and addressed.

Programme Differentiation

The fact that individuals approach learning with 'spiky profiles' is pertinent here. In other words their needs and skills will not exactly match the basic skills curriculum levels. From the original remit of creating a curriculum delivered at Level 1, it has been necessary to broaden this in order to cater for the varied levels of skills within different aspects of the same topic.

Similarly, it is necessary to address the fact that people requiring financial literacy skills will be approaching learning opportunities from a variety of directions - for example, because of a need to find out specific information (loans/benefits/mortgage etc.) or in response to a life crisis. They will also leave in different directions e.g. onto a basic skills course, credit union course or to start a business.

In acknowledging the breadth of need across age, circumstance and ability, we must also be aware of the particular financial learning needs of older women and ethnic minority elders.

Whilst women have controlled the domestic budget, men, certainly within war and post-war generation marriages, have predominantly made the 'big' decisions regarding money.

This has implications for women both within these marriages in terms of controlling their own finances, but certainly following separation or on the death of a spouse. Some women begin to realise this prior to being on their own, whilst many do not take on the full implications of it until it happens. In Australia some of the financial crisis issues older women inherited became known as '*sexually transmitted debt*'.

Women feel themselves to be at a particular disadvantage in the pensions market.

Research adds weight to our findings in this area. The FSA state that:

"Being part of a couple suppressed ownership among women, with less than one in three married or cohabiting women having a pension, compared to one half of cohabiting and two-fifths on married men. Women with dependent children were half as likely to have a pension as men in the same circumstances.

Whether this is an age effect, a generational effect or a combination of the two, the outcome is that there are increasing numbers of women approaching or already in retirement with little savings who will need to rely on state provision in old age."

The report also states that women *believe themselves* to be less financially literate, less confident consumers and less risk averse. Divorced women can become financially vulnerable both through losing access to a pension and by being more likely to live on a reduced income. Women's income is likely to fall by 20% following divorce. They are also likely to bear the brunt of child-care responsibilities and consequently to be in part-time or low paid work.

Whilst there is discrepancy between the financial circumstances of men and women in similar circumstances, these can be larger within certain minority ethnic groups. For example, the FSA reported that 31% of Bangladeshi women had no financial problems compared to only 14% of Bangladeshi men. Similar differences were found in other minority ethnic groups. We did not uncover any further issues regarding discrepancies between men and women through our work with the Chinese Community where lack of English was the predominant factor in financial exclusion. However, further work in this area would almost

certainly uncover inherent cultural attitudes regarding finance which might have their implications for any curriculum, and might also affect financial inclusion. Delegates to the Older and Bolder conference in Derby (June 2001) attending the workshop on financial literacy and older people spoke of co-operative processes within some African Caribbean communities where money is shared through informal mutual savings schemes (sous-sous).

6. Programme Delivery

Approaches

“Successful programmes would demystify structures and processes and encourage people to take more informed control of matters that directly concern and affect them. In the longer term they would stimulate and widen debate about issues of power, control, social justice and the need to reform financial institutions and the systems of social security, taxation and National Insurance.”

The above quotation from research carried out by Kempson and Whyley in 1999 highlights the breadth and scope needed for any inclusive financial literacy programme of learning. It also serves to remind us that empowering people with the wherewithal to take control of their own finances is not just about the development of skills or the ‘problem solving’ approach adopted by money advice centres. It is also about challenging the status quo and developing the necessary political consciousness necessary for social change.

From what we have discovered regarding the strategies adopted by many older people in managing their own financial affairs to date, it is clear that financial literacy learning programmes will need to respond to, and be informed by, the existing experiences, knowledge and needs of older people themselves.

Meg Bond in her paper, ‘Towards Developing Financial Literacy Programmes For Adults’ (Spring 2000) suggests that *“learning opportunities rooted in the tradition of radical adult literacy may help to generate wider debate about the power exercised over people’s lives by commercial and state financial institutions.”*

Bond draws parallels between the dominance of the medical profession and those of the financial institutions:

“They have developed languages which distance them from lay people and their fragmentation into specialisms and separate bureaucracies lead to the fracturing of individuals’ lives” and “provide the experts with ample territory in which to assume control over the affairs of individuals, with few demands being made upon them to demystify their procedures or press for changes in the practices of the financial institutions.”

She advocates a response similar to that of educators working with women health service users in the 70s and 80s who sought to:

“empower them on their personal dealings with the health services in order to make the latter more sensitive to their needs.”

A similar approach in the area of financial literacy would require a dual approach. An approach in which educators sought to enable older people to take greater control over their

financial decision-making, and where levels of financial literacy could be improved through programmes in which *“teacher and learner learn from each other as they investigate dialectically the object of knowledge.”* (Mayo 1997)

If we are to endeavour to challenge the more traditional top-down, expert-driven models of learning and to adopt a learner-led approach in partnership with financial experts and institutions, there will be implications regarding who and where literacy programmes could be delivered. The Pre-Retirement Association revised and re-tested its curriculum as a result of consultation with students through the focus groups.

Personnel

Given the scale and diversity of the various types and skills and knowledge underpinning ‘financial literacy’ it is likely that it will be necessary for a ‘multi-track’ approach to be adopted. There needs to exist within financial literacy programmes, a balance between drawing on the experiences of older people themselves and the expertise of a wide range of professionals:

- Education providers
- Staff from financial institutions
- Welfare rights officers
- Local authority personnel – adult education, housing, transport, social welfare etc.
- Advisers and guidance specialists in a range of disciplines
- Economists
- Business study specialists
- Solicitors
- Organisations responsible for Pre-retirement teaching
- Self-help specialists
- Carers and care managers.

It is likely that such a variety of professionals will be approaching the subject from a multitude of different angles and consequently, have diverse views regarding the nature of adult education and how learning in this area will be most effectively delivered. An important aspect of the development of effective financial literacy programmes will be to ensure links and communication between these various bodies.

In seeking to reach those older people most in need and most isolated and to challenge the culture of dependency which exists in many older persons’ living environments, it will be necessary to create opportunities where older people live and spend time. Adult education providers will need to be encouraged to begin discussions on this topic with potential learners within such environments. For instance:

Sheltered Housing Units	Day care centres
Residential Homes	Community Centres
Hospitals	Luncheon clubs and drop-in centres
New Deal 50+ programmes.	

One approach would be to concentrate on training those already in contact and working with older people. One survey respondent offers:

“If you want to improve things, I’d suggest you direct your training about older people’s finances towards the immediate managers of Home Care Teams, who unlike Social Workers do have continuing, long-term contact.”

Another respondent suggests:

“training key workers in voluntary and community groups (e.g. meals-on-wheels volunteers, day-care centre co-ordinators) who already know the key people, to deliver the skills to service users.”

There will of course be difficulties with these types of approaches, not least those of funding. Staff working within social services, or within voluntary or community settings, are also likely to be over-worked and not well paid as it is. Encouraging such workers to take on further responsibilities will need to be well thought out and carefully done. We have also encountered reluctance from some quarters to approach clients or potential learners regarding money issues for fear of being exposed to charges of financial abuse. Boundaries and guidelines will need to be laid down and monitored.

It is important to acknowledge that many older people will not feel comfortable discussing the issue of finance within a group situation and it will be necessary to ensure a mix of group and one-to-one opportunities for this. The practice of peer group mentoring may go some way to offering a solution to this. We know that many older people find young salespeople, financial advisers or institution staff less empathetic to their needs and situations than people of their own age. Throughout our process of consultation, people have advocated the sharing and dissemination of information and skills amongst peers. Many recent projects, managed through a variety of community groups and organisations set up to facilitate this method of learning have proved successful. NIACE Cymru has recently completed a NLCB funded project developing the mentoring potential of older people. Community Education Development Council (CEDC) is developing an older mentor’s curriculum in a DfES funded project. Both Help the Aged and Age Concern England are involved in older mentor’s programmes, as is The Beth Johnson Foundation through a Home Office funded initiative. It is an area for exploitation. The notion of ‘Mature money mentors’ is worth serious consideration. The development of the literacy programmes in the UK relied heavily on volunteers and the principle is worth re-examination. However with a plethora of initiatives currently some order needs to be brought to the area as well as the dividing line between advice and guidance on specific financial matters better clarified.

Similarly, intergenerational learning activities have proved popular and successful and are attractive to many older people as a way of learning in a supportive non-threatening environment. These also afford older people an important opportunity to ‘give back’ something to the community and to pass on some of their experiences and knowledge to the next generation. The new NLCB funded UK Centre for Intergenerational Practice at the Beth Johnson Foundation is seeking information and reports from organisations carrying out intergenerational activities and may be an appropriate vehicle to further explore financial literacy issues in inter-generational settings. Educators already working in the area of basic skills, business studies or money management are also likely to require further training needs in relation to awareness of the financial literacy needs of older people. One tutor wrote who embarked on financial literacy teaching wrote:

“It was a steep learning curve for both my clients and myself”

We have seen that at present, the predominance of money management learning occurs, as a result of the recognition of financial numeracy needs within a basic skills context. We have also seen that financial literacy is beginning to be acknowledged by many adult educators as a separate and important area of need for many older people. There is potential for existing courses dealing with money matters to expand both to focus on some of the issues which we have highlighted as particularly pertinent to older people, and to include some of the broader issues we have outlined. Many Local Education Authorities are beginning to investigate unmet need at a local level and putting forward ideas for addressing these. It is hoped that others will take their lead. Continued dissemination of good practice will be paramount.

Financial literacy is still in its infancy as a topic of learning for all adults. There is great potential for the development of wider-ranging, further-reaching financial literacy programmes with older people based on initiatives already beginning to emerge and the interest and recognition of need that is growing.

It is important in developing the agenda that financial literacy for all adults is not dismissed as simply a basic skills issue. Many of the answers in terms of curriculum, identification of issues, guidance, how, who, where and when will come from the basic skills field - and likely to be the responsibility of the Adult Basic Skills Strategy Unit within the DfES and BSA. However it is an issue that should concern and be the responsibility of many. It may also be appropriate to consider current definitions of financial literacy to see if they are understood and owned by the very people who are being discussed and focussed on. Whilst it is important to derive commonly understood terms and definitions, they should be created and influenced by the communities concerned.

Format

Although paper-based materials will be essential in many situations, the size and scale of a paper-based resource covering all the important financial issues would be too vast to contemplate. Many of the topics, e.g. benefits, are susceptible to frequent changes and will be quickly be out of date.

It will be necessary to utilise a variety of formats in presenting materials and information. This will help to ensure that the maximum numbers of people are coming into contact with materials which cater for their specific need and preferred style of learning. These formats will include:

ICT MATERIALS

It has been shown that ICT-based materials, CD-ROM/Discs are effective in attracting people, particularly those over 50, into a variety of learning contexts, including Basic Skills learning. Many older people are keen to learn how to use a computer and how to access the Internet and could be attracted to Financial Literacy courses using this approach. The current developments of BSA, FSA and Ufl should be evaluated for application with older people in a range of settings, as they become available.

ON-LINE LEARNING

Many organisations have information and advice available through their websites. However, there are few learning opportunities linked to these resources and an opportunity may be being missed. On-line learning exercises/programmes that individuals, groups or organisations can access, having entered a website for information might be a useful way of expanding the role of financial institutions from problem-solvers to enablers very easily. The associated learning programmes may also enable older students to better sift through and separate genuine advice from specific product promotion.

Self-Help Packages

Self-help packages with pointers to context and guidance on use would be a useful additional resource to be held particularly by advice centres and financial institutions for those individuals, or groups, who prefer this approach to learning. Again, the emphasis here would be on developing the skills necessary for making financial decisions and managing money, rather than on trying to offer advice or guidance on specific financial issues.

Manual/Checklist

Many older people consulted have spoken about the need for a manual on financial topics or checklist list of financial tasks for those approaching retirement age. Any such manuals or checklist would need to be independent and impartial and could also be available in a variety of formats, including those suitable for those older people with sensory disabilities. They may also act as a buffer from, and conduit to, other sources of advice and information, suggesting how this other data should be used.

Guidance Packs

Guidance packs on the topic of financial literacy would be useful for organisations working with older people and learning providers. It might offer information regarding financial literacy and older people, and some possible solutions to the problems which older people have in relation to finance. However a life stages approach highlighting guidance required in various areas or crises might show how all the guidance areas may need to better relate to each other.

7. Quality Assurance and Funding

Non-accredited provision – the role of the RARPA approach

The RARPA (Recognising and Recording Progress and Achievement in non-accredited learning) process has been jointly developed by NIACE and LSDA and adopted by the Learning and Skills council. It sets out a quality assurance framework for the delivery of programmes which do not lead to formal accreditation. The RARPA approach consists of two distinct elements:

1. The Staged Process which outlines the way in which a non-accredited programme should be implemented.

2. Organisational quality assurance processes which need to be in place in order to ensure consistency.

The RARPA approach has also been created in such a way as to minimise the administrative burden on providers whilst maintaining clear links with inspection regimes and criteria (e.g. the new Common Inspection Framework)

The staged process itself consists of five steps:

1. Aim(s) appropriate to an individual learner or groups of learners.
2. Initial Assessment to establish the learner's starting point.
3. Identification of appropriately challenging learning objectives.
4. Recognition and recording of progress and achievement during programme (formative assessment).
5. End of programme learner self-assessment; tutor summative assessment; review of overall progress and achievement.

It is clear that the development of a curriculum for older learners where a number of programmes will lead to non-accredited outcomes should be aligned with the RARPA approach. Recommended programme design features relate to the RARPA staged process in the following ways;

Aims

The curriculum makes clear suitable learning aims and objectives.

Initial Assessment

Identification of appropriately challenging learning objectives

It is clear that in general older people do not wish to be treated as a homogeneous group and it is recommended that programmes are designed which cater for differences. In addition the recommendation that content is differentiated and the tutor support provided in this area is helpful. RARPA comments that clearly stated challenging objectives should be made available for all learners and where appropriate for each learner. It's assumed that in first rung and short programmes, the ability to set individual learning objectives is not easy.

Recognition and recording of progress and achievement

Programmes should be designed so that on-going progress can be identified. This is achieved through the selection of materials and their ability to formatively assess learning.

End of Programme learner self-assessment; tutor summative assessment; review of overall progress and achievement

Its relationship to other stage posts programmes

Many of the other elements which would constitute a “Stage Posts” model

Funding issues

Some providers stated that they plan to take advantage of the Skills for Life Quality Initiative to design and offer short courses covering aspects of financial literacy which may be appropriate for older people such as ‘basic budgeting’, ‘understanding utility bills’ and ‘understanding wage slips’. Work undertaken by the Basic Skills Agency in 2004-05 developed a professional development programme for numeracy practitioners delivering Numeracy through Finance. It should be possible to obtain funding for this work under a Skills for Life umbrella. Certainly, maintaining financial literacy under the Basic Skills agenda is one way to avoid the necessity for accreditation. Recent changes in funding arrangements from 2006 onwards have been proposed by the Learning and Skills Council as presented in their position document, Priorities for Success, Funding for Learning and Skills, 2006-2008. This will impact significantly on the way that Adult Learning provision can be developed across England. In particular, it may mean a reduction in the number and range of short 3-6 hour programmes, and also increase the possibility of a fee-paying element being a necessary part of a learning programme.

Funding in other sectors will need to be explored further. One Higher Education respondent states:

“Older learners have to pay for our 10 week courses before the courses begin. There are possibly grants for studying for which they might apply if they were better informed about such grants and bursaries”

However approaches that build on agendas set by other approaches – Neighbourhood renewal, urban or rural re-generation etc. might qualify for funding in other ways if it is about capacity building of communities and individuals. The focus on older people provided by the Better Government for Older People Programme and the Inter Ministerial group (now a cabinet sub-committee) on Older People indicates that collaborative strategies to further empower and include older people into our communities could embrace their financial literacy needs and therefore be worthy causes for funding from a range of different purses.

8. Resources

A series of resources have been produced which relate to both the Older Learners’ Curriculum Framework and the Adult Financial Capability Framework. As part of the work undertaken by NIACE, resources have been produced which relate to the FLOP curriculum directly. In addition NIACE have also produced an extensive web-based resource as part of its Money Matters to Me initiative in partnership with Prudential plc. The tables in Appendix 2 show how the resources relate to the curriculum objectives.

Appendix 1

Level 1 – Tutor Reference Grid

Curriculum Objective	Possible Contexts	AFCaF reference(s)	Resources (Activity page numbers)
1. Identify personal attitudes towards money and personal financial literacy including: needs; preferences; aspirations; obligations		D(g)6	MMTM – Web Quest (Pay rise, Winning money) 1
2. Understand personal financial responsibility and its implications			MMTM – Web Quest (Pay rise, Struggling to repay your mortgage)
3. Understand the importance of money at various stages of life		D(a)1 D(b)3 D(h)3	MMTM – Web Quest (Pay rise, Winning money)
4. Set personal financial goals, plan for short/medium/long-term - monitor, review and adjust plans as required		D(e)1 D(e)3 D(e)5 D(f)1 D(g)1 D(g)2	MMTM – Web Quest (Pay rise) 20, 21, 22
5. Budgeting - monitor income and expenditure in the long, medium and short term. Review and adjust as required.		D(b)1 D(c)1 D(e)4 D(g)3	MMTM – Web Quest (Becoming unemployed, Buying a car, Struggling to repay mortgage, Struggling with debt, Winning money) 22
6. Maintain systems and documentation for tracking income, out-goings, assets and liabilities		D(d)2 D(d)3 D(d)4	4, 5, 6, 7, 8, 9, 10, 31, 32
7. Seek, identify, access and collect sources of information and advice		D(h)1	MMTM – Web Quest (Buying a car, Winning money)
8. Interpret, evaluate, compare and assess products, services and information		D(d)1 D(e)2 D(f)2 D(f)3 D(g)4	MMTM – Web Quest (Buying a car, Winning money) 1, 2, 3, 14, 15, 16, 23, 24, 28, 29, 30

9. Understand the role of financial institutions and advisers and the role of other agencies and organisations in providing products, advice and information		D(i)1 D(h)2 D(h)4	MMTM – Web Quest (Struggling to repay mortgage, Struggling with debt) 1
10. Be aware of and understand the current economic climate, national monetary policies and shifts relevant to personal situation		D(b)2 D(c)2 D(c)3 D(f)4 D(i)2 D(i)3	
11. Understand the mechanisms and principles of managing on a reduced income and maximisation of income		D(b)2	MMTM – Web Quest (Becoming unemployed, Struggling to repay mortgage, Struggling with debt) 17, 18, 19, 25, 26, 27
12. Understand the mechanisms and principles of coping with debt issues		D(g)5	MMTM – Web Quest (Becoming unemployed, Struggling to repay mortgage, Struggling with debt)

Appendix 2

Curriculum Areas	Activities (Page Numbers)											
1. Identify personal attitudes towards money and personal financial literacy including: needs; preferences; aspirations; obligations	1											
2. Understand personal financial responsibility and its implications												
3. Understand the importance of money at various stages of life												
4. Set personal financial goals, plan for short/medium/long-term - monitor, review and adjust plans as required	20	21	22									
5. Budgeting - monitor income and expenditure in the long, medium and short term. Review and adjust as required.	22											
6. Maintain systems and documentation for tracking income, out-goings, assets and liabilities	4	5	6	7	8	9	10	31	32			
7. Seek, identify, access and collect sources of information and advice												
8. Interpret, evaluate, compare and assess products, services and information	1	2	3	14	15	16	23	24	28	29	30	
9. Understand the role of financial institutions and advisers and the role of other agencies and organisations in providing products, advice and information	1											
10. Be aware of and understand the current economic climate and shifts relevant to personal situation												
11. Understand the mechanisms and principles of managing on a reduced income	17	18	19	25	26	27						
12. Understand the mechanisms and principles of coping with debt issues												

Web Quests (MMTM)					
Becoming Unemployed	Buying a Car	Pay Rise	Struggling to repay your mortgage	Struggling with Debt	Winning Money
		▲			▲
		▲	▲		
		▲			▲
		▲			
▲	▲		▲	▲	▲
	▲				▲
	▲				▲
			▲	▲	
▲			▲	▲	
▲			▲	▲	

Appendix 3

Page Number	Basic	Developing
1		D(d)1 D(e)2 D(f)2 D(f)3 D(g)4 D(g)6 D(i)1 D(h)2 D(h)4
2		D(d)1 D(e)2 D(f)3 D(g)4
3		D(d)1 D(e)2 D(f)2 D(f)3
4		D(d)2 D(d)3 D(d)4
5		D(d)2 D(d)3 D(d)4
6		D(d)2 D(d)3 D(d)4
7		D(d)2 D(d)3 D(d)4
8		D(d)2 D(d)3 D(d)4
9		D(d)2 D(d)3 D(d)4
10		D(d)2 D(d)3 D(d)4
11		D(a)5 D(d)1
12		D(a)5 D(d)1
13		D(a)5
14		D(d)1 D(e)2 D(f)3 D(g)4
15		D(d)1 D(e)2 D(f)3 D(g)4
16		D(d)1 D(e)2 D(f)3 D(g)4
17		D(b)2
18		D(b)2
19		D(b)2
20		D(e)1 D(e)3 D(e)5 D(f)1 D(g)1 D(g)2
21		D(e)1 D(e)3 D(e)5 D(f)1 D(g)1 D(g)2
22		D(e)1 D(e)3 D(e)5 D(f)1 D(g)1 D(g)2
23		D(d)1 D(e)2 D(f)3 D(g)4
24		D(d)1 D(e)2 D(f)3 D(g)4
25		D(b)2
26		D(b)2
27		D(b)2
28		D(d)1 D(e)2 D(f)3 D(g)4
29		D(d)1 D(e)2 D(f)3 D(g)4
30		D(d)1 D(e)2 D(f)3 D(g)4
31		D(d)2 D(d)3 D(d)4
32		D(d)2 D(d)3 D(d)4