S-martMoney
Skills
A COMMUNITY INTEREST COMPANY

AN OVERVIEW INTO HOW S-MARTMONEY SKILLS CAN HELP INDIVIDUALS OPTIMISE THEIR FINANCES

About S-Mart Money Skills

- S-martMoney Skills is a CIC (community interest company) offering a greater understanding of the financial services available and to encourage life skills in these important areas
- We give support and awareness to enable financial inclusion for vulnerable communities and young people
- We want to ensure that our future generations have all the information they need to build a finically sure life with the foundations and knowledge to make the right financial decisions
- Our team of experts with experience in the Banking, Insurance, retail, HR and Corporate Responsibility sectors, have designed a curriculum, and will lead the workshops providing insight, training and guidance to strengthen financial understanding
- From on-line FAQ’s, to face to face seminars and workshops, our customisable sessions can be easily tailored for schools, universities, prisons, workplace learning & more.

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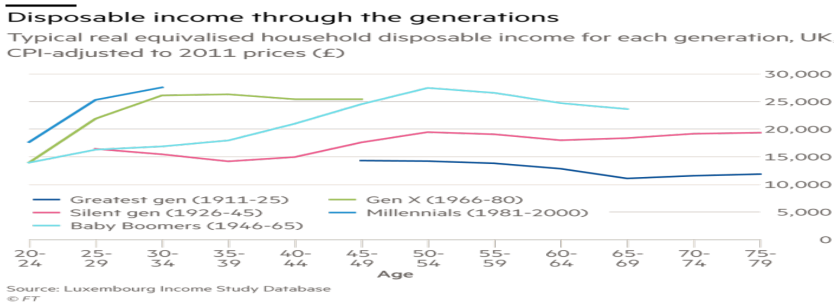
The Case for Financial Literacy in Young Adults

BBC NEWS

Student debt rising to more than £50,000, says IFS
By Sean Coughlan Education correspondent

FT FINANCIAL TIMES



The Guardian

Household debt in UK 'worse than at any time on record'

British household finances among most indebted in major western countries, ONS says

The Guardian

Number of problem gamblers in the UK rises to more than 400,000

Gambling Commission report finds more than 2 million people are addicted to gambling or at risk of developing a problem

The Case for Financial Literacy in Young Adults

- Many young people feel a strong social stigma associated with having financial difficulties

- Only 50% of the financially squeezed who experienced a negative family event last year sought help with their finances. This compares to 70% who thought that they needed help. So many people recognise they need help but don't seek it

- Sources of financial literacy are inconsistent and, in many cases, treated with suspicion if they are part of the financial industry:

  'How can it be impartial if it's coming from my bank? Because it's usually something that's in their interest.'

- *Financial literacy and products and services can be designed to:*
  - *break down that stigma*
  - *harness social networks to provide effective peer or expert support*
  - *help young adults better use the new online tools and learning available when making financial decisions.*

UK Money Advice Service

The UK Money Advice Service (MAS) has created a category of UK adult termed the ‘financially squeezed’; this is a part of the UK population with:

- significant financial commitments
- relatively little provision for coping with unexpected income shocks
- lack of a savings buffer to help them deal with unanticipated costs

3.6m young adults (19 to 25) fit into this ‘financially squeezed’ category (29% of the total 12.3m young adults in UK)

“A combination of awareness, knowledge, skill, attitude and behaviour is necessary to make sound financial decisions and ultimately, achieve individual financial well-being”

2019 Young Person's Money Index Conclusion: After 5 years of focus on financial education

"Despite everyone's best intentions, five years on [after the study] most young people say they are not getting enough access to comprehensive financial education and they worry about money. They want to learn more about the practicalities of managing money – budgeting, debt management, tax and how products work."

82% want to learn more about money and finance in school and, of those:

- 60% would like this to be a separate subject
- 82% of students in the 17-18 age group worry about money on a daily or weekly basis
- 69% of students say that most of their financial understanding and knowledge comes from their parents
- 78% said they hadn't received any information about tax in school

"Financial education needs dedicated, regular, classroom time, and more support for schools. Unless something changes soon, we risk failing yet another generation and negatively impacting society for generations to come."

The Case for a Different Kind of Teaching

Recent studies into the impact of financial literacy, financial services marketing approaches, and individual behaviour provide insight into best practice when teaching young adults about their personal finances. Examples of methods to improve financial understanding and decision making when encountering marketing and product information include:

- represent or teach how to translate facts and costs as pound values rather than percentages
- illustrating how little time it takes to ready key facts about financial products
- interact with information using sliders and other interactive tools available online
- showing how to identify the most important information using colour
- demonstrating how to use tools that enabled you to personalise your financial situation to increase the relevance of the material engagement with that material
- reviewing the use of smart defaults to make it easier to save more and to repay debts faster
- teaching about the impact of anchor information and how to overcome it in your own financial planning
- express the time to repay debt in years and months to make the information easier to understand.

S-martMoney Skills Teaching Theory

S-martMoney Skills has applied behavioural insight and up to date research to create content focused on young adults. This combines traditional ways of teaching with new tools and uncomplicated solutions to inspire and create the desire to learn in order to achieve better results. These include:

Financial educational content that is focused, straightforward and simple to understand -

- keep information short and appropriate
- develop easy-to-remember rules
- think about the framework
- make it relevant

Make financial education programmes as personalised as possible -

- provide education at the "right" moment
- raise awareness about personal biases
- combine individualised counselling, goal setting and coaching for greater personalisation
- remain in line with individuals mindsets

S-martMoney Skills Teaching Theory

Create connection and trust with audience through sociocultural elements and stories

Go beyond information - design programmes that help people take actions:

- illustrate how the use of modern tools can encourage better self-control
- teach good “mental accounting” techniques
- promote immediate practice of skills learned

Consider using digital channels to facilitate the application of behavioural insights

“Young adults are intuitively aware of the desirable financial behaviours, and the consequences of bad financial decisions, but they lack the motivation, resilience, or confidence to take active control of the finances, adopt new behaviours, or make decisions about their money.”

Example of an 8-Week Programme

Higher Education e.g. University

WEEK 1: Demystifying the banking Industry: High Street v Challenger banks, Building Societies, mobile apps, types of accounts
WEEK 2: Loans: Personal, secured, unsecured, student, payday, finance, HP. Credit Rating?
WEEK 3: Cards: Debit/Credit/Store-what are they? What is involved? How do they worK? Credit Rating?
WEEK 4: Insurance/Assurance: Differences, car, personal, house, life, pension
WEEK 5: Income: Payslip, tax, national insurance, living costs, budgeting
WEEK 6: Savings: Plans, schemes, stocks & shares. Risk strategy
WEEK 7: Mortgages: Renting v buying, utilities
WEEK 8: How do I keep myself secure: I.D theft, cyber security and gambling.

We aim to make most sessions interactive and build in a Q & A part way through and at the end to encourage participation and engagement.

Who We Are

Stuart Martin – Founder and Partner
Stuart is on a mission to help educate individuals to make them more financially secure, and give them a better foundation to make sensible spending and investment decisions in the future. He has utilised his background in financial services, working with close colleagues and experts, to create this programme. This is complimented with his experience as a father of two children in their 20s.

Cheryl Martin – Co-founder and Senior Advisor
Financial Service Sector Industry lead with Gartner Consulting. She is also Gartner's Consulting Global Inclusion and Diversity lead sitting on the Gartner's Global Board of Directors for Women@Gartner. Cheryl has more than 25 years of experience in IT, Technology and Cyber Security, and has worked across multiple areas in the Financial Services sector, giving her a broad depth of understanding of the evolving and dynamic industry.

Patricia Taylor – Co-director
Proven board member and Advisor with 25 years leading organisations through high growth in fast changing markets; from concept to profit to scale. She understands the drivers behind product/market match whilst engaging investors, and creating partner and affiliate strategies.

John Gordon – Senior Advisor
Proven Board member and Advisor with 30 years experience in Financial Services with Standard Life. He has a strong customer focus approach that creates sound regulatory frameworks for financial advisers and investment managers. Throughout his time as a Financial Services Professional, he has supported senior leadership teams and facilitated compliance within a flexible commercial model that has incorporated liaisons with the Financial Conduct Authority.

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