

# Maths and Managing Money



*"I realised I had to learn how to budget better. I was ok with basic maths, but never actually planned or knew how to manage my money before – I would just spend it until it was gone."*



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\*Some of the names used in this publication have been changed.



# Foreword

**Managing money has become more and more important and NIACE believes that it now counts as one of the essential life skills, alongside good literacy and maths skills. It is far too easy to slip into debt, not understand complex terms and hide from spiralling financial problems.**

The seven individual stories included in this publication are inspirational. Each clearly demonstrates the importance of getting to grips with managing personal finances. The stories show that by being better able to manage their money, people can get a real confidence boost that can help them to turn their lives around.

NIACE, in partnership with Homeless Link, Citizens Advice and the Olive Tree Trust, has created a toolkit, 'Talking about Money', that will enable support workers to help their clients manage their money more effectively.

Rick Henderson, Chief Executive of homelessness charity Homeless Link, outlines why managing finances effectively is so important:

*There are many reasons why someone can end up without a roof but, without help, it can be difficult [for that person] to rebuild their life.*

*That is why it is critical that agencies work together to help individuals build their resilience, as well as the skills they need to regain their independence, and avoid the crises that can trigger homelessness.*

*The stories of people like Rob, Cat and Peter show what is possible once people get support to realise their potential.*

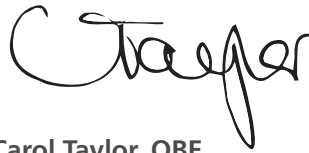
Gillian Guy, Chief Executive of Citizens Advice, adds:

*Citizens Advice has been delighted to work with NIACE and Homeless Link on this project. Citizens*

*Advice bureaux already deal with over two million debt problems a year and see the devastating impact that debt has on people's lives. It's more important than ever that people gain the skills, knowledge and confidence to manage their money effectively. The 'Talking about Money' tool will provide a useful additional resource for bureaux and agencies working with homeless clients.*

The stories in this publication show how a holistic approach to learners' needs can increase confidence, enable adults to

continue their learning and help them to make important strides in their personal and professional lives. We hope that they will inspire readers to reflect on their own personal finance experiences and encourage them to learn more about maths and managing money.

A handwritten signature in black ink, appearing to read 'Carol Taylor', with a stylized, cursive font.

**Carol Taylor, OBE**

Director of Development and Research, NIACE

# 1. About this publication

**The stories in this publication are personal accounts of how people have overcome their personal barriers to learn about money management and maths in order to improve their lives.**

Each story illustrates how using the right tools and offering the necessary support can help support workers and their clients/learners to raise the topic of money as an issue, and provide the stepping stones to enable adults to regain control of their lives while simultaneously improving their self-esteem, confidence and overall independence.

We hope that these stories will help to dispel some of the fear of talking about money; that they will encourage readers to reflect on their own experiences of financial capability and maths learning and help them to identify why it is important in their daily lives; and that they will inspire other adults to develop and improve their own personal finance skills.



We also hope that the stories will reinforce the important policy message that encouraging financial capability among adults is good for both the individual and the wider economy.

## 2. Background and NIACE's position

**With new changes in the benefit system, as well as the introduction of universal credit, gaining skills in budgeting, managing benefits and using a bank account will become increasingly important to people in order to manage their money. Discussing 'money issues' and 'maths confidence' with a support worker is often a key first step in supporting learners to take improved control of their own finances.**

From February to June 2013, NIACE, working with Homeless Link and Citizens Advice, researched and developed a tool – 'Talking about Money'. This was produced for support workers working with single adults to help them manage their money better, and for practitioners needing to deliver financial capability skills training. This tool helped them to raise the subject of money with their clients/learners and enabled them to link with follow-on support, including online resources.

A pilot scheme using the 'Talking about Money' tool provided the learners who participated with an opportunity to critically examine their approaches to personal

financial management. These adults' experiences illustrate the importance of finding a common language for discussing financial capability issues.

The tool aimed to address:

- the barriers that support workers and practitioners experience when working with clients/learners on personal money issues;
- the barriers that people experience in raising money issues and identifying their needs and capabilities in relation to their circumstances; and
- how to stimulate the interest of learners (and potentially



support workers) in follow-on resources to support the development of money skills, including the use of online resources.

The research has provided insights into the barriers that people face in engaging with money skills support. Guidance has been developed which can be adapted across the Citizens Advice bureau network for working with vulnerable adults.

Feedback from agencies at welfare reform events shows a demand for resources and support to improve financial capability engagement and skills for staff and service users. By collaborating with Homeless Link's Innovation & Good Practice team, which works to identify,

develop and promote good practice among homelessness services in England, the research considered different delivery environments and client groups.

The 'Talking about Money' tool has provided an easily accessible means of raising the issue of financial capability and engaging people. It is available to download from <http://shop.niace.org/talking-about-money.html>.

The experiences of seven learners from the pilot scheme provide the practical examples that form the basis of this publication.



# 3. Context

## Financial issues can be caused by a complex range of factors.

Research into what these factors are was carried out using the following two methods:

- online questionnaires, and
- qualitative research gained through 'Talking about Money' workshops.

The results of the questionnaire suggested there were four key factors that contributed to adults struggling with their finances: behaviour, health, skills and social factors. Behavioural issues reported included drug and alcohol addiction, gambling and coping with transition. Mental health and low self-esteem were also identified as further reasons that people experienced difficulty with managing their finances. Social factors included the absence of capable financial role models and spending time with peers with a similar short-term approach to spending.

The four financial issues brought up most often by questionnaire respondents were:

- formal and informal debt;
- a lack of access to financial services, e.g. a bank account;
- issues with claiming benefits; and
- budgeting on a very low income.

The questionnaire showed that 48 per cent of respondents felt that formal and informal debt was a key issue. Workshop discussions emphasised that informal loans were very common for homeless adults – either borrowing from friends and 'acquaintances' or (for an increasing number) accessing pay-day loans. Forty-four per cent of respondents suggested that a lack of budgeting skills was a key contributing factor to poor financial management.

For ESOL (English for Speakers of Other Languages) learners living in the UK, financial literacy is underpinned by skills in spoken and written English; having the vocabulary to talk about money and an understanding of how the UK financial system works are essential to them. Devon Grapevine, a community ESOL programme in Exeter, piloted the



‘Talking about Money’ tool at two workshops designed to explore each area of the tool through group activities. Using the tool and other materials with financial content in the ESOL classroom gives learners the language they need for shopping, banking and managing money.

Through the collection of data, piloting the ‘Talking about Money’ tool, Adult Learners’ Week, and as part of its broader work, NIACE time and again uncovers inspiring stories of adult learners who are overcoming their fears and moving forward, giving themselves and their families the chance of a better life and access to more opportunities.

This publication tells the stories of some of these learners and demonstrates what works for the adults who have overcome many challenges to improve their financial capability.

## Francesco

*Olive Tree Association / Devon Grapevine, Exeter*



“Francesco found the ‘Talking about Money’ workshop really useful, particularly as he had recently been trying to change his bank account.”

Francesco’s experience demonstrates that individuals with a broad range of educational attainment (Francesco studied economics and agricultural science in Italy) can still benefit from participation in programmes designed to support practical approaches to personal finance. As a direct result of his participation on the programme, Francesco has been able to successfully open a new bank account, which has given him confidence.

Francesco is in his 40s and works as a catering assistant at Exeter University.

Francesco saw the Olive Tree Association’s free community English classes advertised at

Jobcentre Plus. He lives alone and wanted to meet other people, in addition to improving his English, during his time off – and joined the English classes as a way of achieving this. He believes his English is improving and enjoys

the practical and informal atmosphere of the classes, as well as talking to the other students and volunteer teachers. He attended private lessons at a local language school for a few weeks, which he enjoyed, but is meeting more people of his own age and from more varied backgrounds at the community classes.

Francesco found the 'Talking about Money' workshop really useful, particularly as he had recently been trying to change his bank account and had had trouble understanding the types of ID he could use to prove his address. The workshop helped him directly as he was able to open an account later that week.

Francesco has studied economics, so many of the terms used to talk about financial concepts in the workshop were familiar to him, and are similar to the Italian. He learned that the terms 'loan' and 'maintenance' have different meanings in different contexts. He finds it interesting that the size of UK coins does not correspond to their value and finds card payments easier as he does not have to worry about checking his change.

Francesco wants to continue improving his English. He is currently studying for a Level 2 diploma in environment and conservation, and hopes to find paid or voluntary work in the conservation sector.

## 4. Learners' stories

### John

*Liverpool Central Citizens Advice Bureau*

**“Using the information he learned at the sessions, John is now able to shop around for the best deal before signing up to a fuel provider; he is looking for an online deal, paid by direct debit, which will help him with his budgeting.”**

John's participation in a money management training session acted as the catalyst for him to improve many aspects of his life. He is now able to manage his income on a monthly basis using his new bank account. The practical skills John learned from the programme have helped him to move from a hostel to a new tenancy. His story clearly illustrates the importance of both acquiring a range of practical skills and having the confidence and support to put them to use.

Alt Bank House homeless hostel asked Liverpool Central Citizens Advice Bureau (CAB) to deliver money management training sessions for their residents. Residents were encouraged to join the one-hour group sessions

or ask for a one-to-one session at which CAB could refer them to the Bureau for help with welfare benefits, debt or other issues.

John had been living in the hostel for 15 months. His business had

folded three years previously due to the financial climate, at which time he had had a breakdown and left his housing association property. When he came back to Liverpool he was ineligible to join the housing list as he had £2,500 in rent arrears and had been told that he owed £8,500 for property repairs.

John was hoping to move out of the hostel and he was interested in learning how to budget, so he went along to the money management training sessions on budgeting, dealing with debt, bank and credit union accounts, getting the best deal and choosing affordable credit. He gained a certificate from CAB for attending all five money management sessions.

In addition, John took advantage of the one-to-one sessions and asked for advice on his situation. His financial capability trainer spoke to the housing section of the CAB who suggested that he apply for a debt relief order so that the

arrears could be written off, and he was referred to a debt adviser. Furthermore, CAB queried the £8,500 bill and it was concluded that John was not liable.

John has now been offered a tenancy and the debt adviser is helping to sort out his debts. After a training session on banking, John opened a bank account so that his bills can be paid by direct debit when he moves into his new property.

Using the information he learned at the sessions, John is now able to shop around for the best deal before signing up to a fuel provider; he is looking for an online deal, paid by direct debit, which will help him with his budgeting. He also intends to open a credit union account so he will have access to affordable credit rather than relying on pay-day loans.

John is now looking forward to life in his new property, to finding employment, and getting his life back on track again.

## Cat

*Norwich Learning Employment Accommodation Project*



**“As a result of the support I was given I have become more independent in my new home and am now working my way out of debt instead of putting myself into further debt.”**

Cat’s experience demonstrates the importance of learning good personal financial budgeting skills. By looking at her spending as a whole, Cat identified areas where she was over-paying for services. Cat is using her new-found skills to help her to manage her new tenancy effectively. In addition, she has ambitions to gain employment in the security industry.

Before Norwich Learning Employment Accommodation Project (LEAP) helped me with my budgeting skills I was on a mobile phone tariff that was not suitable for my high use and I was

running up monthly bills of £70 or more. I also had monthly payment arrangements with debtors and I was receiving numerous calls from another debtor that I had not made an arrangement with.



As I was in receipt of a fortnightly benefit, this often left me in crisis at the end of the month and I had to apply for crisis loans on a regular basis. This made me feel stressed and depressed about the situation I was in.

I was referred to LEAP's accommodation support officer and we worked together to break down my outgoings and ensure that I was able to afford my accommodation. This highlighted that I had limited budgeting skills – I had not realised that the way in which I had set up payments for my outgoings was the reason why I was in a crisis situation every month. I guess I had never needed to be aware of this before as my outgoings were much less when I was living in the hostel. Together we wrote down all my current and future outgoings and worked out two budgets to enable me to spread my spending more evenly over the month.

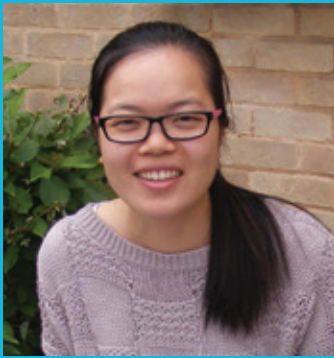
As a result of the support I was given I have become more independent in my new home and am now working my way out of debt instead of putting myself into further debt.

I have been referred to Cotman Housing Association's 'Money Wise Home Safe' project for continual support with my budgeting and money management. I feel much more confident in my ability to negotiate with debtors and I am now able to get tariffs changed for bills should my needs change in the future. Before, I was unaware that I was able to change my mobile phone tariff and this is why I was often paying large bills.

I hope to work in the future with the police and Security Industry Authority and to be able to work out my budget independently once my income changes to ensure I continue to manage my money effectively.

## Lina

*Olive Tree Association / Devon Grapevine, Exeter*



“Although Lina has studied English for 11 years, she says the community classes have really increased her confidence in speaking.”

Lina is undertaking postgraduate study at the University of Exeter in Teaching English to Speakers of Other Languages. Lina is a very organised person and manages her personal finances very carefully. Nevertheless, she found participation in the money management class beneficial as she has learned about the many forms of debt in the UK, including mortgages, unsecured loans and penalties for the non-payment of bills. Lina’s story demonstrates the universal need to improve personal financial management and the benefits to the individual that are a direct result of participating in learning in the community.

Lina studied English to degree level in her home country, China, and is currently carrying out

research for her postgraduate studies in Teaching English to Speakers of Other Languages. She

wants to become an interpreter and is doing everything she can to improve her English to achieve this.

Lina noticed an English conversation class taking place at the church she attends in Exeter. She now goes to the class regularly and is basing her postgraduate research around it. Although Lina has studied English for 11 years, she says the community classes have really increased her confidence in speaking. As she explains, the emphasis is on communication in an informal environment with other adult learners. There is much less pressure compared with the academic classes she is used to.

Lina appreciates the time she spends outside the classroom talking to native speakers from the church community, including people from India and Ghana who speak English as one of their

mother tongues. She is really impressed at the dedication of volunteer teachers in community classes, as this is not something that would be available in her home country.

Lina was surprised at the extent of debt in the UK, and the range of debt that can be incurred, from mortgages to loans to non-payment of bills. She was interested to hear that water would never be cut off in the UK as it is a basic need, and says this would not be the case in China.

Lina's own attitude to money is prudent and she is very organised. However, she finds things difficult currently as the exchange rate makes the UK an expensive place to be. She learned a few new terms at the 'Talking about Money' workshop – and realised for the first time that 'change' and 'cash back' are two quite different concepts!

## Rob

*The Connection at St Martin's, London*

“ I realised I had to learn how to budget better. I was ok with basic maths, but never actually planned or knew how to manage my money before – I would just spend it until it was gone.”

Rob's story demonstrates how important personal financial management skills are to an individual's success in life. By engaging with the 'Talking about Money' tool and with the help of his support worker, Rob has been able to move to a new tenancy. Rob is using his new-found computer skills to actively manage his money and he has learned to create and follow a monthly budget.

I was born in Belfast in 1965, four years before the Troubles started. It was hard growing up there and I hardly spent any time at school; at the age of 17 I decided to move away to England.

I became homeless and got into trouble by shoplifting, which

became my way to get money for my drinking habit. I ended up getting caught and went to prison; I was living on and off the streets for over 20 years suffering from depression and anxiety, and wouldn't accept any help from anyone.

All that changed when I started to use a day centre called The Connection at St Martin's in London. The staff were very friendly and wanted to help me but I just kept refusing, until one day I ended up in hospital through alcohol abuse.

That's when I went to the day centre and asked the staff for help. Since then I have come a long way. I started off by learning to use a computer at the centre's workspace and this helped me get some of my confidence back.

At first I found budgeting really difficult – although I had stopped drinking spirits, I was still spending a lot of money binge drinking beer as it seemed to help me cope with my post-traumatic stress disorder. As time went on I really wanted to achieve more independent living and I realised I had to learn how to budget better. I was ok with basic maths, but never actually planned or knew how to manage my money before – I would just spend it until it was gone.

My support worker helped me to see what my priorities were and showed me a different way of looking at managing my finances by using the 'Talking about Money' template. It was adapted for my particular needs and I set myself a goal of one month to make a difference.

Since that time I have moved into my own flat and I have a lot more confidence in planning how I spend my money. I use a weekly plan which tells me what I have to spend my money on first, like bills and food. I have the confidence to use a computer to find out more things that could help me if I struggle. I also feel more confident in asking for help, which I never used to do before.

This has led me to volunteer at the day centre and in the next few months I plan to volunteer as a mentor to other rough sleepers who are in the same position as I once was.

## Peter

*SIFA Fireside, Birmingham*



“ I had never had to bother about budgeting because my mother had taken care of bills. When she died I was on my own and I found it difficult to manage.”

Peter's story is a reminder that unemployment can lead to homelessness and that this can trigger depression. Peter has gone from being an individual in need of support to someone who can provide help and support to others and he has used his new-found financial management skills and confidence in order to secure a new home. Peter's growth and development provides a powerful example of the benefits that learning can provide to both the individual and the wider community.

I used to work in the computer industry until I lost my job and my home, after which I was living in a hostel and becoming demotivated and directionless. My unemployment and lack of focus

meant I was just moping around and this led to a long bout of depression.

About three or four years ago I heard about SIFA Fireside and I

decided to see what help I could get there. I decided, given my previous background, to begin IT classes. This led to working on the service user magazine *HALO (Homeless and Left Out)*, although I also attended other activities, gradually filling my time.

I had been interested in learning throughout my life and was quite numerate through my previous employment, but I had never had to bother about budgeting because my mother had taken care of bills. When she died I was on my own and I found it difficult to manage, especially having to live on benefits. From working with others on the *HALO* magazine I realised that I wanted to return to living independently and the Crisis tutor mentioned a free course which I enrolled on. There were three useful modules: 'Living Well', 'Money Matters', and 'Shaping Your Future'. This course helped to give me the confidence to look for accommodation.

The learning I achieved improved my confidence and I have better people skills, making me less insular, which is a definite boost to my general health and well-being. I have continued to attend courses and I am still an integral member of the *HALO* magazine team and give peer support to others in IT classes. I am now on the SIFA Fireside service user volunteering project, which will enable me to train for six months and to work with staff members and the volunteer team.

Looking forward I am considering counselling, mental health work and mentoring service users, something I would not have been able to countenance a few years ago. One further boost is that I have now gone back to independent accommodation and I am interested in assisting with the financial inclusion project at SIFA. I feel confident in my financial capability now and I want to help others feel the same.

## Najma

*Olive Tree Association / Devon Grapevine, Exeter*



“In the UK, lots of payments go through bank accounts, so you are not looking, not touching the actual money.”

Najma’s experience of the ‘Talking about Money’ programme delivered by Devon Grapevine in Exeter is very interesting, as is her perspective on life in the UK compared with that in Pakistan. Her comments about the distance between an individual and their expenditure when they use plastic instead of hard cash have resonance. Najma has found that her participation in community learning has helped her to gain the communication skills and confidence to actively seek employment, making her a happier and more productive member of her community.

I came to England five years ago to live in Manchester. Then my husband got a job at Exeter University and I got a chance to live there around such a loving and friendly community. In

Pakistan I had studied associate engineering in computer hardware and started university – I was in the seventh semester when I came to England.



I joined the Olive Tree community English classes for multiple reasons. I wanted to improve my confidence in speaking, and I didn't want to create a communication gap between me and my son who was born here. I really want to complete my studies and I am looking for a job as well. After just a few weeks I can speak much better, and I really enjoy gathering at the different community venues where the classes take place.

What did I learn from the money workshop? This is a very good question. I am really trying to avoid unnecessary shopping, and another thing which sticks in my mind is trying to save ten per cent of income. In the UK there is a big trend of shopping and relying on loans. Here people take out loans even for holidays, but it's different in Pakistan. Rich people

love shopping in Pakistan as well, but the middle class almost all try to live and spend within limits.

In the UK, lots of payments go through bank accounts, so you are not looking, not touching the actual money – you may be bothered but not as much as if you are going to count the amount with your hand in the form of cash. And the tax rate is very high here.

Since I started the classes, things have been much better. This is the first time I have been to English classes and I am very grateful to all the volunteer teachers and the Grapevine team, because they gave me a big chance of improvement.

# 5. Conclusions

**The stories included in this publication demonstrate that financial issues present a challenge for many adults who struggle to understand the maths and financial matters that are relevant to their lives and find it difficult to take control of their money on a day-to-day basis. Increased financial capability can help adults to overcome key barriers, including feelings of embarrassment, a lack of trust, and a lack of confidence and knowledge of where to find ongoing maths or money management support. Financial capability can help individuals to overcome health difficulties, be more confident generally, manage finances and everyday activities more effectively, enjoy challenges, have more social contact and make the most of opportunities to progress at work and take up further learning.**

In addition, the examples in this publication highlight some of the difficulties that support workers encounter around discussing money issues and widening access to further support, including online and local resources. The research undertaken and the tools developed have helped support workers and practitioners to raise personal finance issues with their clients and learners, enabling them to link with follow-on support as part of a continuous process.

In the context of the introduction of universal credit, there is an increased need for people to be able to address their personal finance issues and to improve their confidence in maths. We hope that the stories presented here, in conjunction with the NIACE-led research, will encourage and inspire support workers and practitioners to talk about money in a way that is engaging, enabling and empowering, both for themselves and learners as a key first step in helping people to take increased control of their own finances.



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The National Institute of Adult Continuing Education (NIACE) is an independent charity which promotes adult learning across England and Wales. Through its research, development, publications, events, outreach and advocacy activity, NIACE works to improve the quality and breadth of opportunities available for all adults so they can benefit from learning throughout their lives.

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