



YORKSHIRE & HUMBER FINANCIAL CAPABILITY FORUM

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Definition of financial capability:

“Financial capability means being able to manage money, keep track of your finances, plan ahead, choose financial products and stay informed about financial matters.” (FSA)

Prevention is better than cure!!

- Financial capability training helps people make good decisions, stay out of debt and maximise income – however small.
- Relevant on a daily basis – supermarket offers; interest rates; child trust fund vouchers

“Annual income twenty pounds, annual expenditure nineteen and six, result happiness. Annual income twenty pounds, annual expenditure twenty pounds and six, result misery. The blossom is blighted, the leaf is withered, the god of day goes down upon the dreary scene, and, in short, you are for ever floored. As I am!”

Mr Micawber to David Copperfield

Charles Dickens

Benefits to health and well-being

- FSA research demonstrates the psychological benefits of being more in control of personal finances
- Increase self-esteem, optimism and general well-being

(Financial Capability and Well-being. Evidence from the BHPS. Occasional Paper 34. May 2009)

Challenges in rural areas

- Financial exclusion is less visible
- Banking facilities are declining
- Poor public transport
- Higher service costs
- Partnerships vital to prevent and resolve financial exclusion
- Important for local authorities to invest in financial capability for front line staff and local people

(Rural Money Matters: a support guide to rural financial inclusion. Commission for Rural Communities 2009)

Aim of financial capability forums

To build regional capacity to help people develop the skills and confidence to avoid financial crisis.

Core objectives of financial capability forums

- to identify and prioritise local and regional need for financial education
- to actively seek to coordinate local financial capability work
- to share good practice in the area of financial capability
- to promote and raise awareness of the importance of financial capability internally to their own organisations and externally to funders and decision-makers
- to evaluate the effectiveness of local and regional financial capability work
- to contribute to local, regional and national policy initiatives

Members include:

- Local authorities
- CABx and other voluntary and community organisations
- Housing associations
- Credit unions
- Financial institutions
- Regional and national government agencies
- Banks

Benefits of forum membership:

- Access to funding streams channelled through Citizens Advice e.g. Save Xmas, Energy Best Deal
- Talks from national and local experts
- Sharing resources – including CAB-Link
- Strengthened voice influencing social policy
- Development of delivery partnerships
- Learning around what works – good practice
- Networking and information exchange

Future plans

- Develop a more strategic role for the regional forum
- Broaden the membership
- Hold 2 regional meetings and an event in 2010
- Develop forums at sub-regional level in:
 - West Yorks
 - North Yorks
 - South Yorks
 - East Yorkshire and Humber

Support from GOYH

- Recognition that financial capability is a cross-cutting theme and supports delivery of economic, social and health National Indicator performance targets
- Commitment to ensure financial capability and inclusion are at the centre of future thinking.
- Clear message on the importance of financial capability.
Suggested:
 - building financial capability into other interventions
 - working together on an new Financial Capability/ Financial Inclusion indicator for LAAs
 - Should financial capability be part of Future Jobs Fund contracts?

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