

Paving the Way Out Of Debt



Money Guiders: Many Hands Make Light Work

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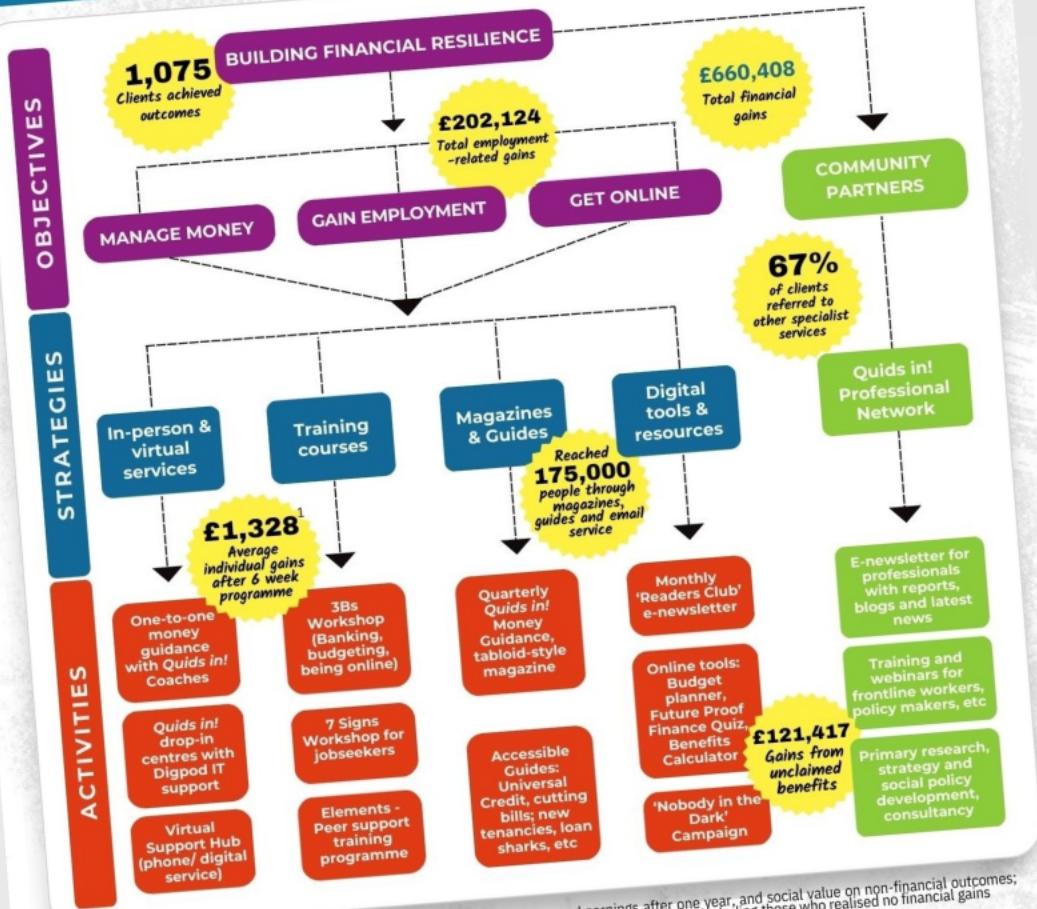


- ✓ CLEAN SLATE & QUIDS IN!
- ✓ THE DEBT CHALLENGE
- ✓ THE ROLE OF MONEY GUIDERS
-

Quids in!

Money Guidance delivered by CleanSlate

Quids in! Money Guidance services, promoting financial wellbeing and resilience, delivered by Clean Slate Training & Employment CIC



¹ Excludes debts cleared, increased earnings after one year, and social value on non-financial outcomes; Data from all completers of our 6-week programmes, including those who realised no financial gains

nobody in the dark
.co.uk



...times we need to protect ourselves. Clean Slate is funded to help local...
...their costs and increase their income. Visit cleanslateid.co.uk/london
...ve helped increased their average income by £594





OUR PLEDGE

- WE SEE YOU
- WE HEAR YOU
- WE ARE YOU



Group	Need For Support	No. People in UK
1	No signs of needing advice or guidance	 61%  32.5 Million

Guidance

2	Would benefit from money guidance via the <u>MoneyHelper</u> website or other sources	 24%  12.6 Million
3	Need to seek guidance before their current situation worsens	

These two groups combined represent people at risk, a priority audience for MoneyHelper's money guidance

Advice

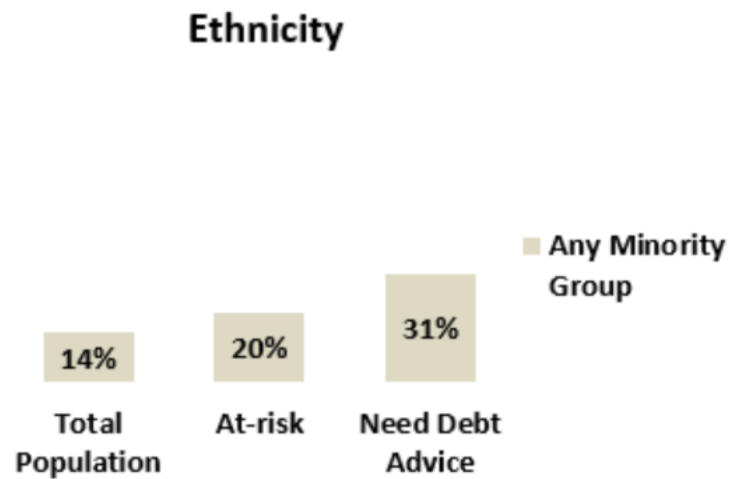
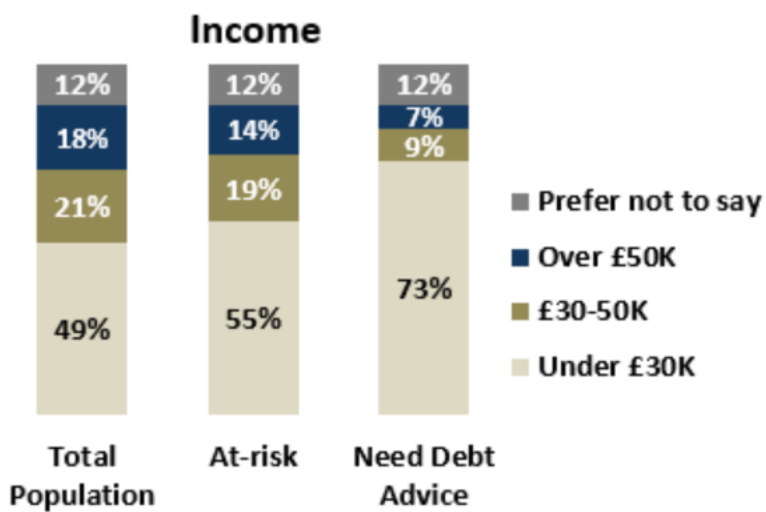
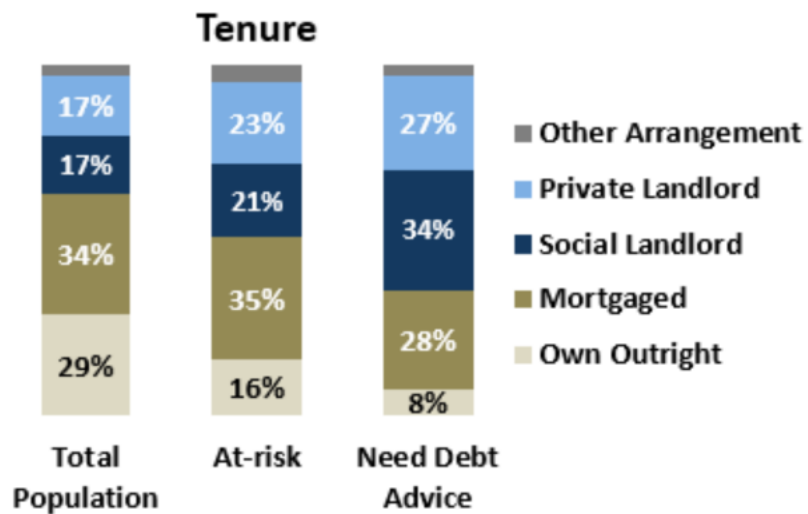
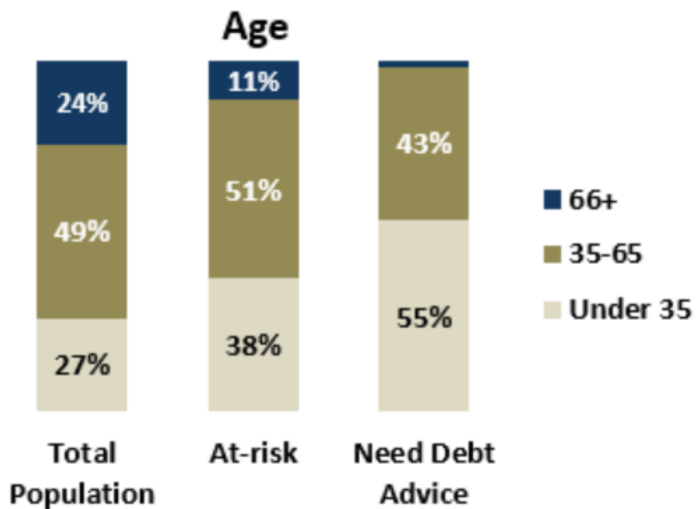
4-6	Strong indications of needing debt advice	 15%  8.1 Million
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This group need full debt advice from a regulated provider

The profile of people needing debt advice

The profile of the people who do need debt advice also hasn't changed a great deal. They are typically:

- Under 35 years old.
- In households with children and low incomes (73% have an annual household income of less than £30,000 before tax).
- Most (61%) rent their home from social or private landlords and a further 28% own their house on a mortgage. There's more on mortgages further on in this article.
- People needing debt advice are from ethnic minority communities (31%), which make up less than 20% of the adult population as a whole.
- They also were more likely to have experienced an income shock in the previous three years, like redundancy or a drop in earnings.



Despite a recent slight improvement in financial wellbeing in the UK...



Over **4m** households remain in serious financial difficulties

1.3m higher than autumn 2021 but around 700k fewer than in October 2023



Households with fewer resources are still struggling to afford food and energy



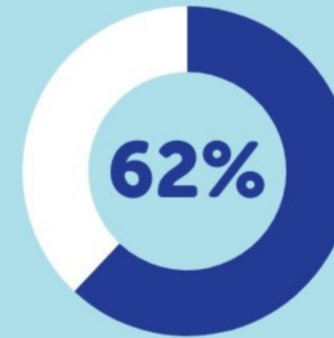
Lower income groups

In receipt of benefits

Renters

Living in deprived areas

Single parent families



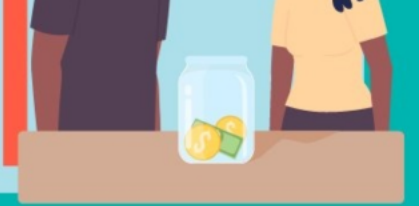
Progress has been uneven: 3 in 5 lowest-income households are struggling or in difficulty, compared to 3 in 10 middle-income households





Living in
deprived
areas

Single
parent
families



There are some positive signs that households are having to cut back less and are relying less on credit to make ends meet

But 1 in 8

have faced some form of debt collection or enforcement action in the past six months



Debt collection activities mostly related to unsecured credit (53%), local authorities (37%), mortgage providers or landlords (27%) and energy providers (23%)

Cost of living, employment and productivity will be high on the agenda for the next government

2 in 10

households were actively looking for a new job in May 2024

87%

said they had encountered barriers during their job search



Scoring 30-49
on our financial
wellbeing index

Struggling

24%
of households

Most common financial situation:

How well meeting bills and
credit commitments:



**'Struggle from time
to time'** (74%)

Number of months
income in savings:



No savings (36%)

Median annual pre-tax
household income:



£20-30k

Income quintile
(after housing costs):



Second quintile

Scoring under 30
on our financial
wellbeing index

**Serious
difficulties**

15%
of households

Most common financial situation:

How well meeting bills and
credit commitments:



**'Constant
struggle'** (72%)

Number of months
income in savings:



No savings (87%)

Median annual pre-tax
household income:



£10-20k

Income quintile
(after housing costs):



Bottom quintile



Of the **45m** adults in the UK...

4.1m

are in arrears

2.9m

are in arrears on paying for essentials such as water, energy or telecoms

42%

of people with poor mental health find dealing with customer services on the phone confusing or difficult*



25%

of people with hearing/visual impairments struggle to follow instructions making it harder to interact with service providers**

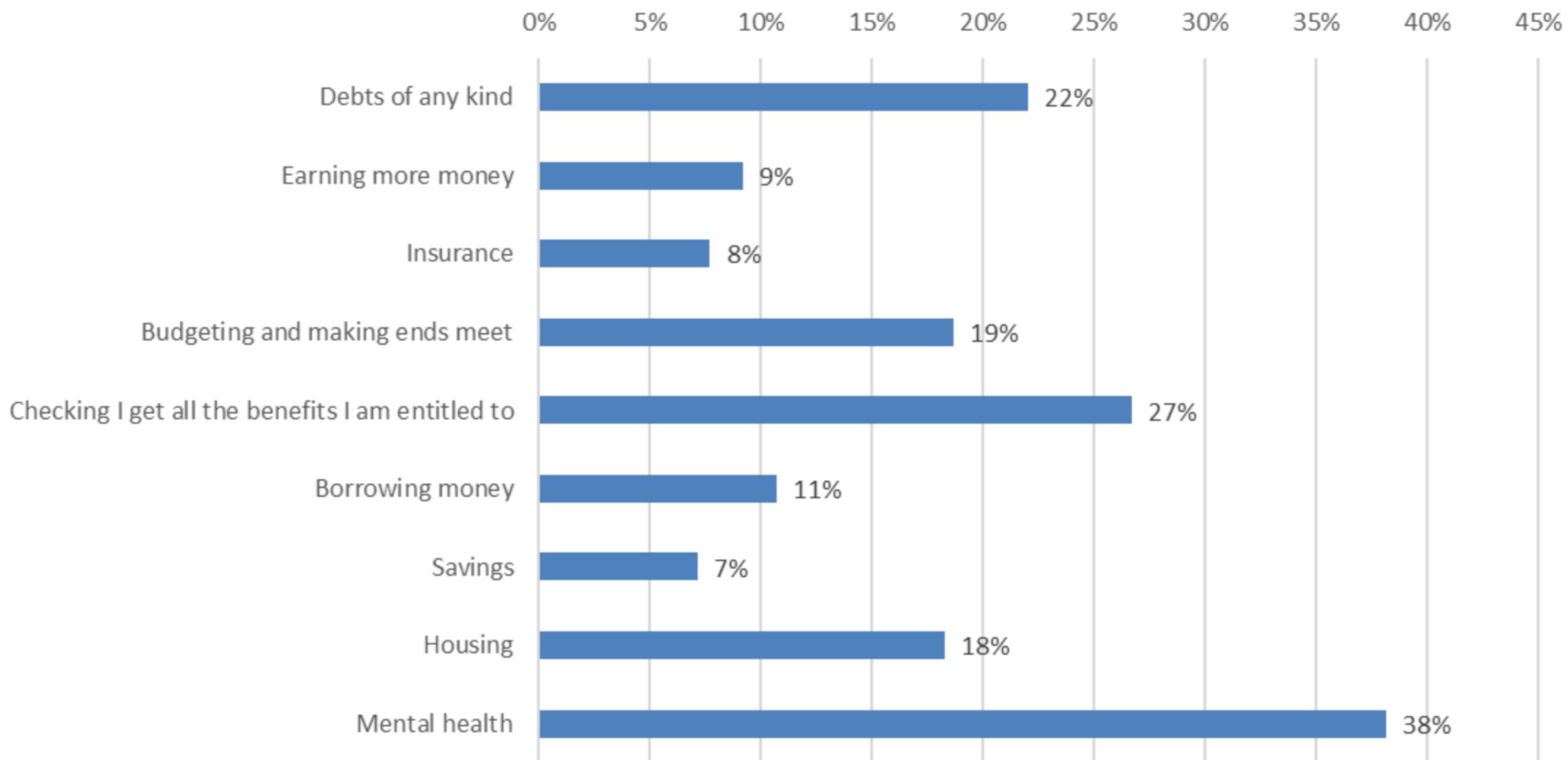


73%

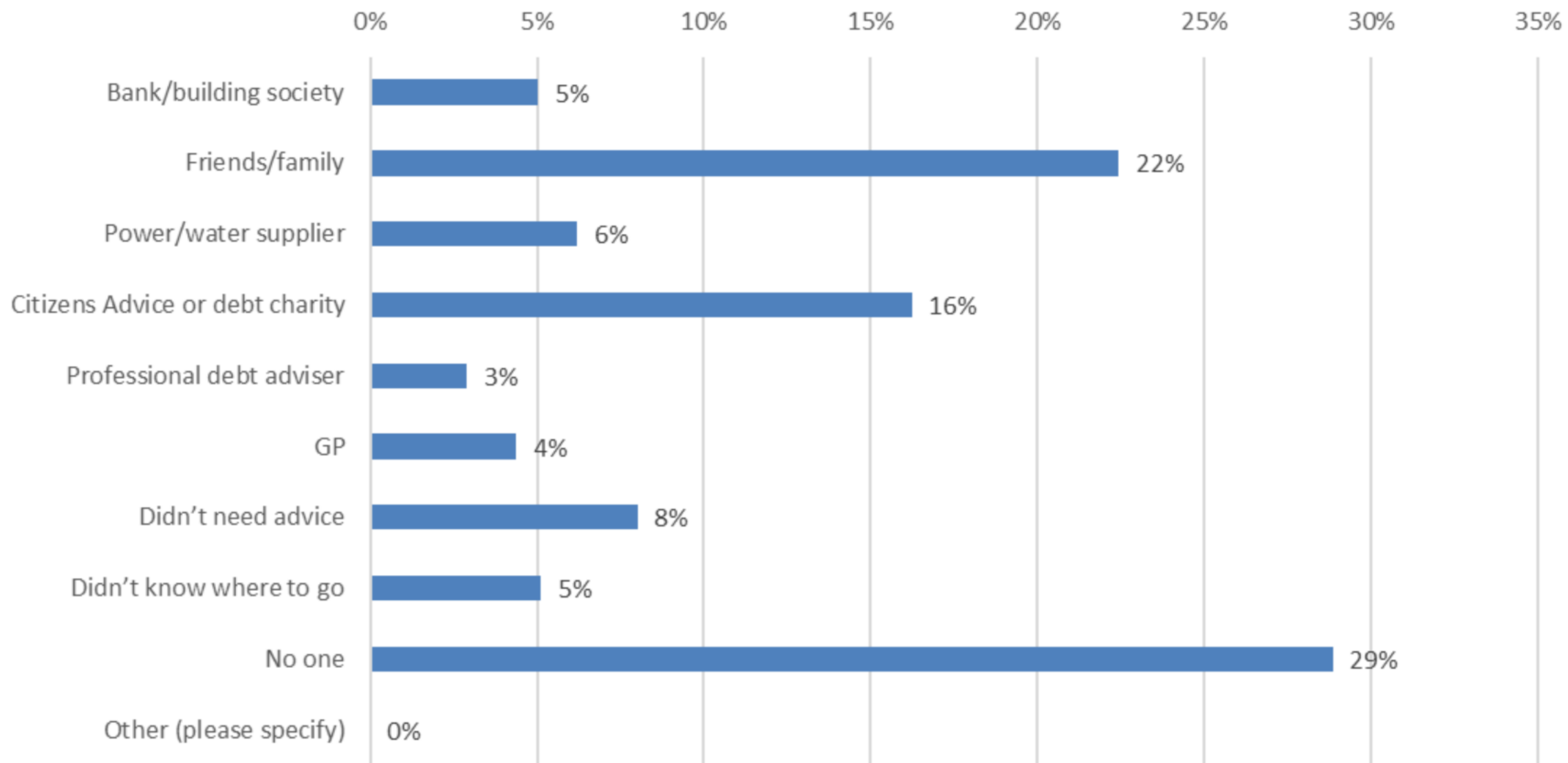
of disabled people have delayed contacting a service provider due to feeling daunted by the process (this audience is almost twice as likely to have a debt with a utility).



Have You Needed Help Or Advice?



Sources Of Help Or Advice





ATTITUDES TO DEBT/ BARRIERS TO ADVICE

- WE'RE ALL 'WIRED FOR IMPRUDENCE' [RSA]
- EMBARRASSMENT/ FEAR... OF JUDGEMENT
- CHANGE = BAD
- DON'T UNDERSTAND OPTIONS OR PROCESS
- ADVISORS: 'BUILD IT AND THEY WILL COME'
- LET'S PUT MONEY GUIDERS' COMMUNITY CONNECTION TO USE
- TRUST, QUICK WINS, MOMENTUM, HOPE
- DEMYSTIFY. COACH IN... AND THEN OUT OF DEBT PROCESS



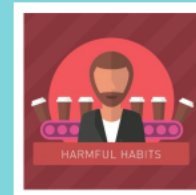
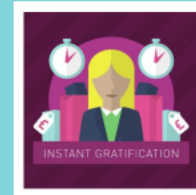
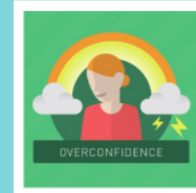
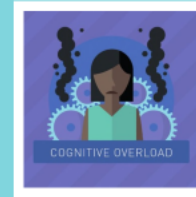
ADVICE

Wired for Imprudence

Behavioural hurdles to financial capability and challenges for financial education

By Nathalie Spencer and Jeroen Nieboer with Antony Elliott
Foreword by Paul Dolan
May 2015

RSA
Action and Research Centre





What is
debt advice?



SONY



How can we help?



What is debt advice?



AFTER THE END AUTHOR



StepChange
Debt Charity



**NATIONAL
DEBTLINE**















**cyngor ar
bopeth**



<https://www.moneyhelper.org.uk/>

**Money
Helper**

Money Guidance Fundamentals

 Knowing your customer >	 Debt >	 Borrowing >
 Welfare and benefits >	 Budgeting and cashflow >	 Savings >
 Investments >	 Taxation >	 Insurance >
 Households >	 Pensions >	 Planning for later life >



Knowing your customer >



Debt >



Borrowing >



Welfare and benefits >



Budgeting and cashflow >



Savings >



Investments >



Taxation >



Insurance >



Households >



Pensions >

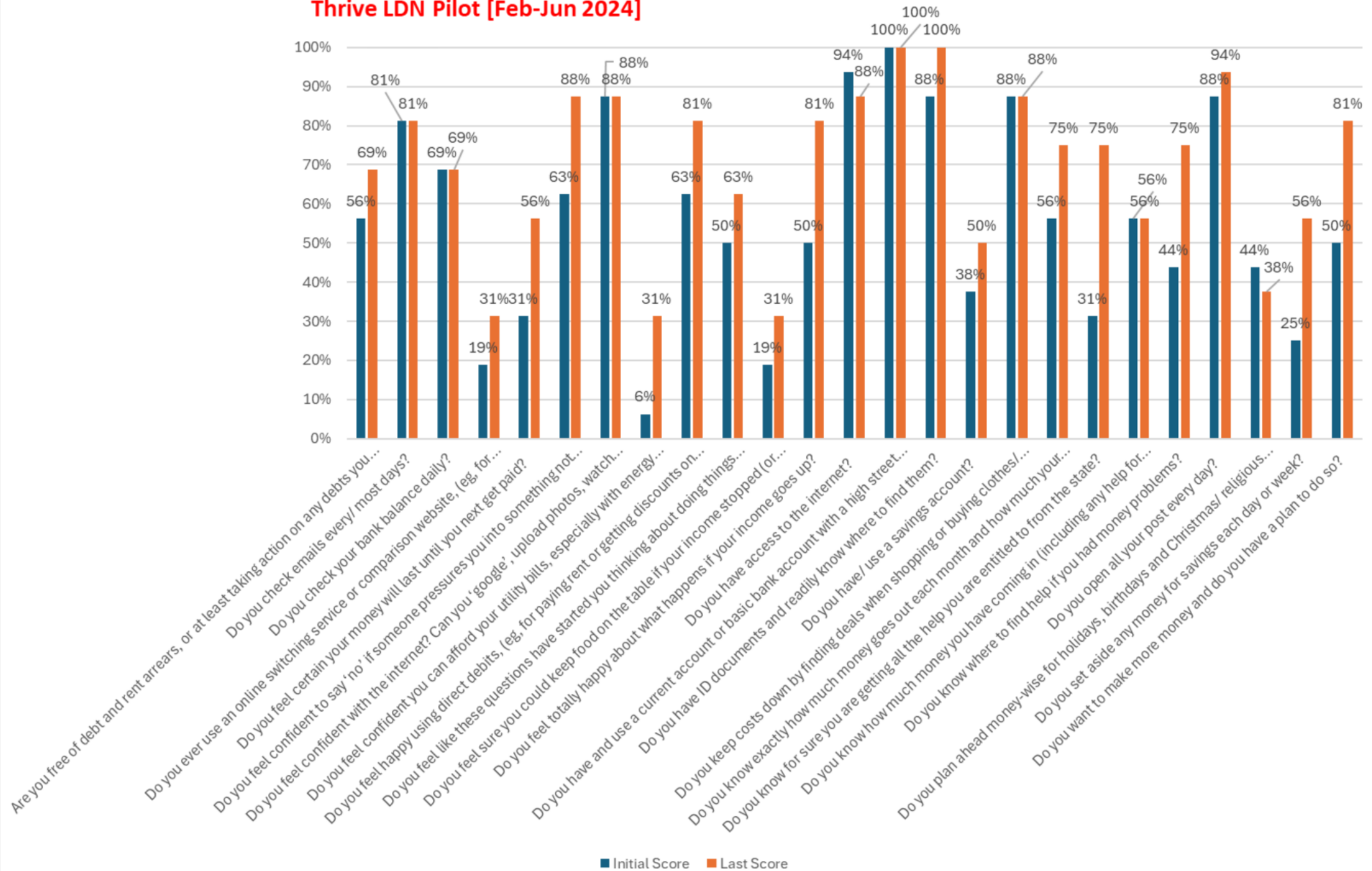


Planning for later life >

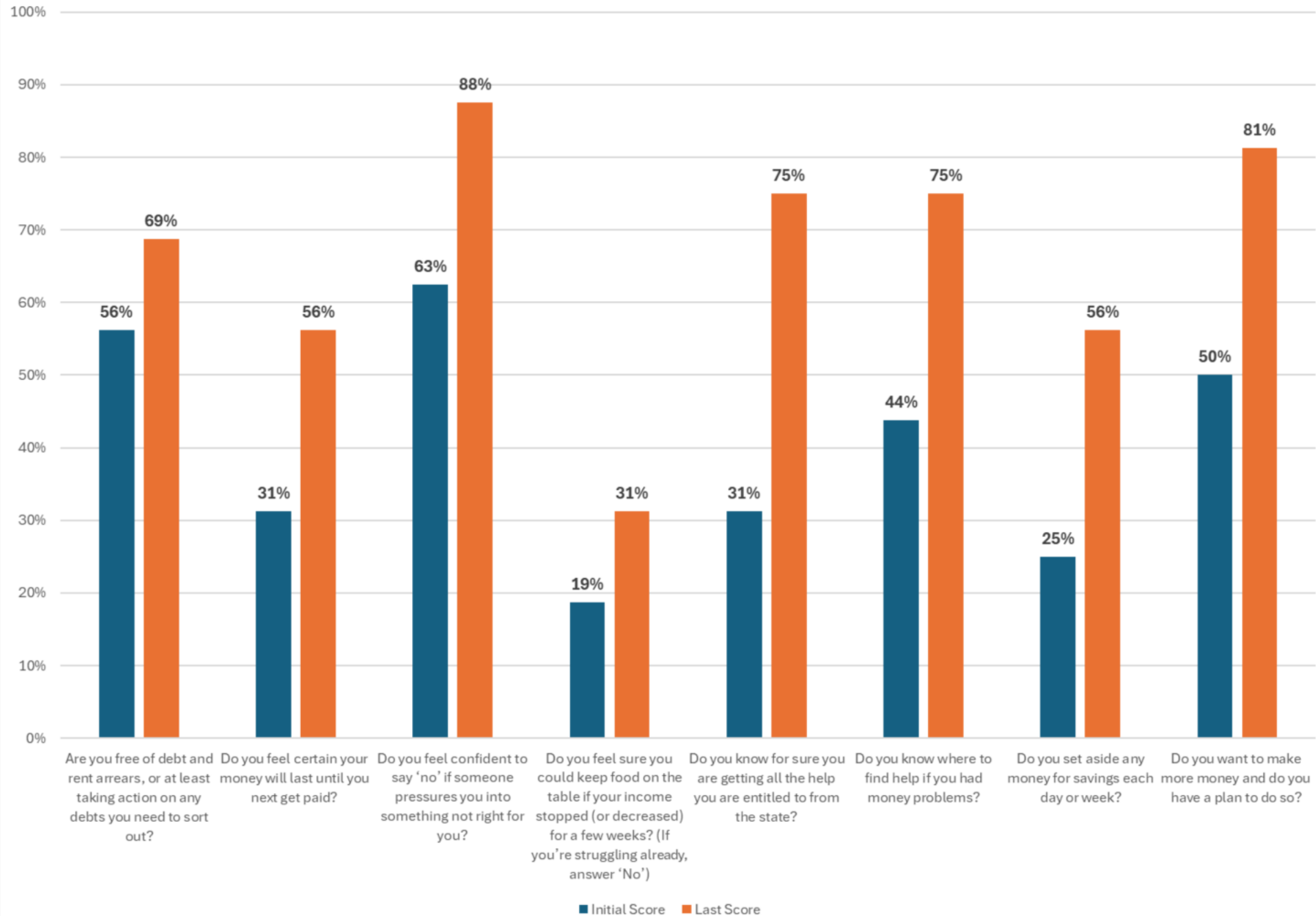
Money Health-Check/ Financial Guidance



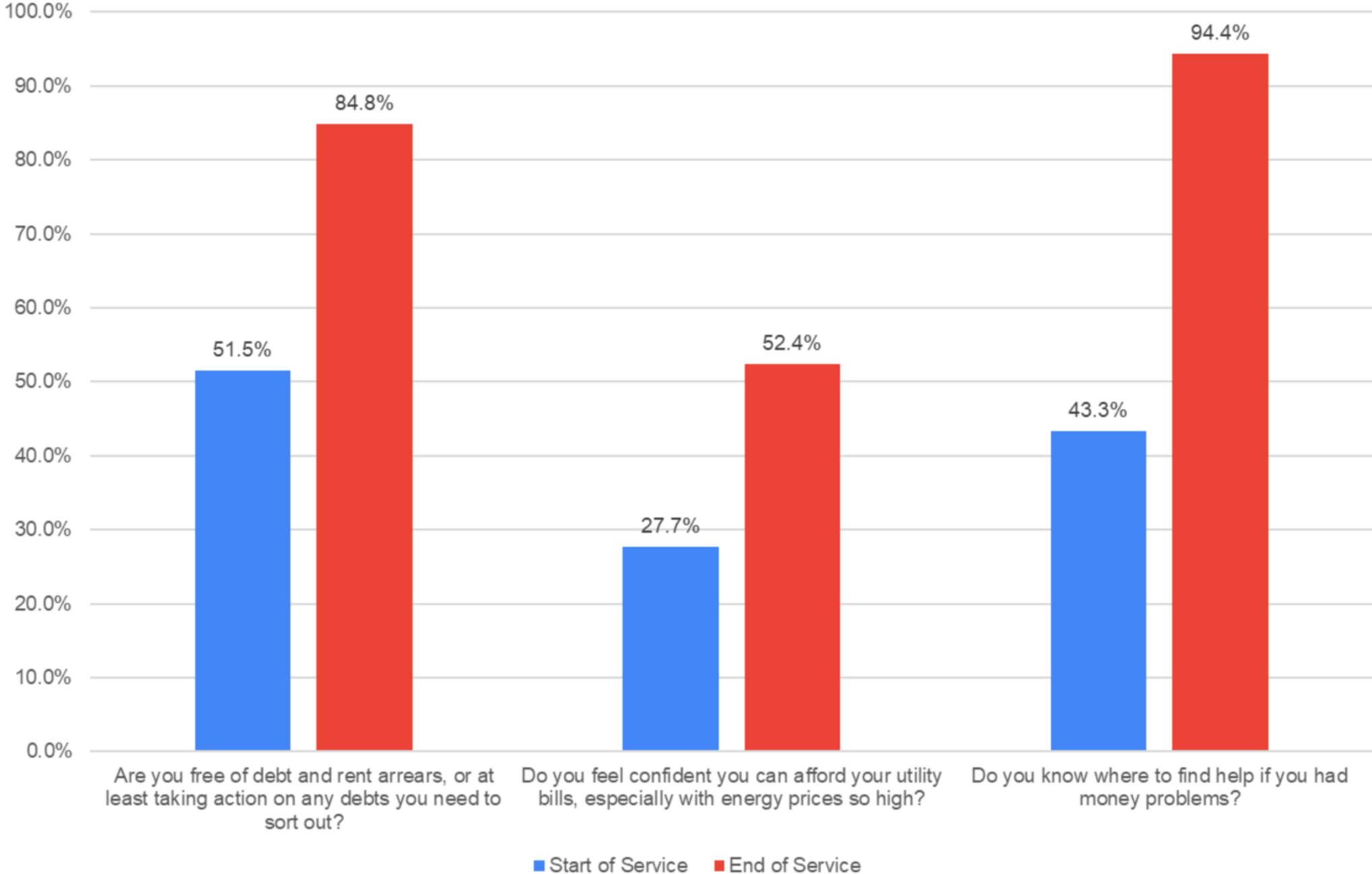
Thrive LDN Pilot [Feb-Jun 2024]



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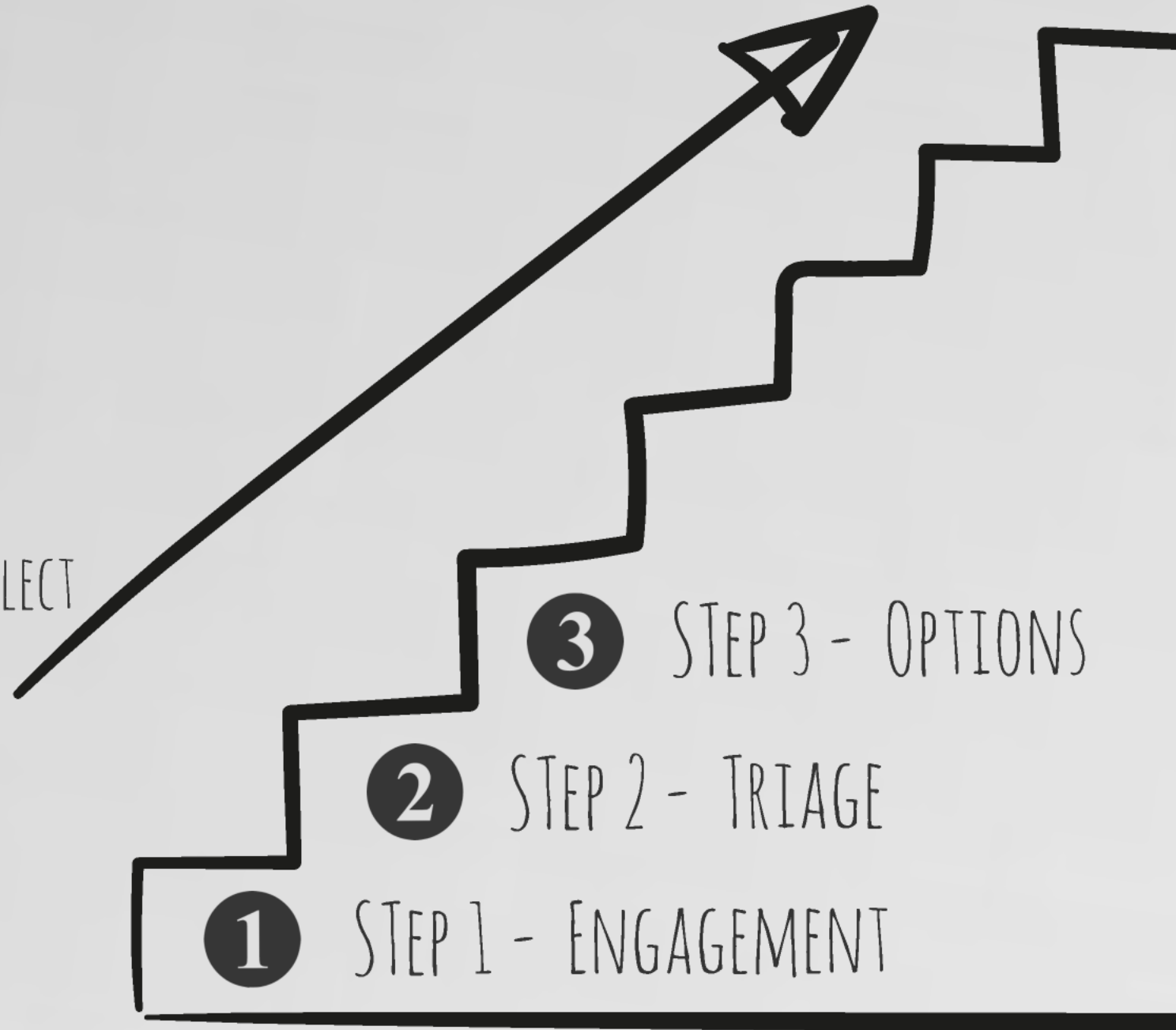


Service Impact on Debt Resilience [Quids in! Money Guidance]



MONEY GUIDANCE

- ENGAGE: BUILD TRUST, RAPPORT
- TRIAGE: URGENCY, OPTIONS, RESILIENCE
- GUIDANCE: COACHING, REFERRALS
- MINDFUL: LISTEN, MEASURE IMPACT, REFLECT
- ATTITUDES: HABITS, REALITY CHECKS, LIFESTYLE CHOICES, NEW START, AGENCY
- HOPE: LIGHT AT THE END OF THE TUNNEL
- CONTROL: SUSTAINABLE, WELLBEING



JOIN THE QUIDS IN PROFESSIONAL NETWORK:

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quidsinpro.com/qipro-network/sign-up/

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