



Consultation on draft Financial Capability strategy, Department of Trade, Enterprise and Investment.

Response from Belfast Healthy Cities

1. About Belfast Healthy Cities:

Belfast is a leading member of the World Health Organization (WHO) European Healthy Cities Network, which has a membership of 98 cities. Belfast Healthy Cities currently holds the WHO Secretariat for the European Network. Belfast Healthy Cities is an independent partnership organisation that is responsible for delivering the WHO goals and objectives on behalf of Belfast as a WHO European Healthy City. It is supported by a small staff team dedicated to working with partner organisations and other stakeholders to facilitate and support change to improve health and wellbeing and address inequalities in health for people living and working in Belfast and beyond. Belfast Healthy Cities has a strong track record of delivering the WHO goals and objectives within each five-year phase.

2. Role of Belfast Healthy Cities:

The focus of the global Healthy Cities movement is on the wider physical and social living conditions that shape health and wellbeing, and creating conditions that support health and tackle inequalities. The role of Belfast Healthy Cities is to bring stakeholders together to consider these issues. We see our role as supporting organisations to achieve their aims, but in ways that also support wellbeing. Our role includes sharing evidence and testing new concepts and ways of working.

In the current Phase V (2009 – 2013) the overarching aim for Belfast and all WHO European Healthy Cities, is Health Equity in All Local Policies, supported through the core themes of Healthy Urban Environment (including Climate Change and Health) and Healthy Living, (including Active Living and Wellbeing). It is within the context of Belfast Healthy Cities' role that this response is made.

3. Comments on the draft Strategy

Belfast Healthy Cities welcomes the outline of existing initiatives and recognition of the need to consider the impact of financial capability on health and wellbeing with acknowledgement of need for a joined up approach across all sectors to implement the strategy.

- **Literacy issues** - It would be useful within the strategy to highlight the linkages between literacy issues and financial capability. In relation to health outcomes, WHO suggest that “literacy is a stronger predictor of an individual’s health status than income, employment status, education level and racial or ethnic group”ⁱ.

The 2013 AEGON Retirement Readiness Surveyⁱⁱ, highlights financial illiteracy as a worldwide issue, with only 20% of respondents saying they are ‘very able’ to understand financial matters related to retirement planning. Equipping individuals with the right toolkit to set retirement goals and make informed decisions on achieving these goals is criticalⁱⁱⁱ.

- **Linkages to health** - It would be useful within the strategy to strengthen the use of evidence that links financial capability and income/poverty with health outcomes. This is particularly important considering the linkages highlighted within the strategy to Programme for Government priority 2 – ‘Creating opportunities, tackling disadvantage, and improving health and wellbeing’.

Social and environmental factors including socio-economic status; poverty and financial worries; social networks and support; and living conditions all have an impact on health and wellbeing. Around 341,000 people live in relative income poverty in Northern Ireland^{iv}. Persons with a disability are among the highest at risk of poverty^v. Poverty increases a person’s vulnerability to high levels of economic stress, poor housing, unemployment, limited access to essential services and unhealthy lifestyles which accelerates and intensifies negative impacts on health^{vi}.

Belfast Healthy Cities works towards Health Equity in All Policies^{vii}, a mechanism which allows policies to assess the social determinants of health and ensure health equity is integrated across all policies, encouraging all government departments to adopt this approach^{viii}.

- **Supporting employment** - Belfast Healthy Cities supports the focus within the strategy of supporting people into employment. Removing barriers to work and supporting people who are not currently working into sustainable employment will help generally support and promote health and wellbeing. However, one factor which is also equally important is tackling *in-work* poverty. ‘Making work pay’ and obtaining a decent wage is a key challenge for many lower-skilled jobseekers, but evidence would suggest that making part-time work pay is an even greater challenge for both lone and coupled workless mothers. Over half of children currently living in poverty are in households where one adult works. One significant barrier to supporting mothers into quality part-time jobs is the imbalance in pay scales for part-time workers – often part-time work is associated with low pay and highly paid part-time work opportunities are very limited. To redress this, employers need to be given support to help stimulate demand for part-time workers by building a strong evidence base of employers who successfully recruit part-time and illustrating benefits to employers^{ix}. Additional costs such as childcare and transport may be incurred therefore collaboration with DHSSPS and DRD is needed to ensure financial barriers to working are removed. Belfast Healthy

Cities have expertise in intersectoral collaboration and recognise the positive impact of joined up working in cross cutting themes like financial capability.

An acknowledgement has been made (2.23) that all adults in a household need to be working for the household to get out of poverty. This reality is increasingly difficult in the economic downturn. A lack of employment opportunities for young people means it is hard to think about saving for the future; many do not have the means to make ends meet or start a pension plan, therefore support is needed to start this earlier. Linking policy framework to economic development and local community plans will enhance effectiveness in areas of education and job creation. Enhancing financial literacy in training programmes including apprenticeships and essential skills courses where there may be greater representation from vulnerable groups, and incorporating into volunteering opportunities will enhance effectiveness. This will also seek to protect volunteering from unintended negative consequences of legislation and Government policy, as laid out in the Volunteering Strategy and Action Plan for Northern Ireland 2012^x.

Lessons may be learned from community based financial capability skills programmes such as 'Young people and money' developed and delivered by the Citizens Advice Bureau.

- **Mental health and employment** - It would be useful within the strategy to highlight the impacts of poor mental health on financial capability and support that could be provided to address issues facing this population group. Often people with mental health problems have difficulties in either getting a job or maintaining employment. There is concern among mental health service providers that employers/ businesses are more reluctant to employ someone with a long-term mental health problem. A survey by the Department of Work and Pensions in 2002 found that only 37% of employers stated they would recruit people with mental health problems compared to 62% who were willing to employ people with physical disabilities. A number of studies have shown that employers often perceive people with mental illness as being less reliable, less able to perform and more of a risk^{xi} ^{xii}. A survey for the National Disability Authority in Ireland found that only 55% of people thought that individuals with mental health problems should have the same access to employment as everybody else, compared to 82% in the case of physical disability^{xiii}. Such attitudes amongst employers and employees need to be challenged and one way of doing so is to provide support to develop effective policies that promote positive mental health messages and practice.
- **Physical disabilities and employability** – Equally important to highlight within the strategy are the challenges facing people with physical disabilities. People with physical disabilities often face problems in gaining/maintaining employment thereby leaving them vulnerable to the negative effects of poverty. There is evidence that some of the barriers that exist for people with physical disabilities relate to access, and work related psychosocial factors such as discrimination as opposed to physical demands of work^{xiv}. These need to be seriously considered to support people back into employment. A

collaborative approach by the health sector and voluntary sector to identify effective ways of doing this would be welcomed.

- **Assessing policy effects on health and equity** - It is positive that the strategy proposes cross Departmental implementation, and collaboration with the community and voluntary sector^{xv}. This is key/imperative to success, as people's financial circumstances and indeed capability are affected by a wide range of factors. It is also important that potential impacts of the strategy on health and health equity are assessed, to ensure the strategy can effectively support existing initiatives in this field. Belfast Healthy Cities has developed the Health Equity in All Policies (HEiAP) tool^{vii}, which offers a flexible framework for stakeholders to explore potential health and equity impacts of a policy. A key aim of this approach is to ensure the specific aims of a given initiative are achieved, and to help identify how health and equity benefits can be achieved at the same time. Belfast Healthy Cities would be pleased to discuss this further, should that be helpful.
- **Ageing population** – This will mean increased demand on government pensions, therefore individuals need to make smart economic decisions. This may lead to an increased reliance on commercial pensions that most find difficult to understand and budget for. This presents need for access to affordable or preferably free, independent financial advice services, and access to clear information. Defined action plans are essential with the development of a financial capability infrastructure to improve decision making, clear monitoring and evaluation of the progress of the strategy would strengthen it. Individuals can then make informed choices about financial products available and plan for the future, ensuring information about these initiatives reach all within target group^{xvi}.
- **Initiatives** – A number of worldwide examples exist to tackle financial capability and build capacity across all ages. Jump\$tart^{xvii} is a youth focused partnership programme supporting financial education, based in the United States. A variety of international action is currently being taken to address financial capability. International companies such as the New York Stock Exchange (NYSE) is also spreading awareness of financial capability by celebrating Financial Capability Awareness Week in their Belfast office in partnership with Business in the Community^{xviii}. The Portuguese National Plan for Financial Literacy is communicated primarily through a website that makes information on available initiatives accessible to a mass audience^{xix}.

The Observatory published a number of financial capability policy briefs and case studies^{xx} in 2011. Working with an advisory panel representing the community and statutory sectors in Northern Ireland the papers outline a number of initiatives developed and delivered locally to address financial capability as well as highlighting the work of the Financial Capability Partnership NI^{xxi}.

Belfast Healthy Cities welcomes the proposed delivery of the strategy in partnership with other Departments and the variety of consultation methods available, especially the literature targeting young people who will need to

embrace financial capability skills throughout their lifetime. It is recognised that this is one element of a wide ranging issue, which requires intersectoral collaboration and work on the root causes of poverty and financial stress as well as poor capability.

FINANCIAL CAPABILITY STRATEGY 2013 – 2018 CONSULTATION

Completion Instructions

We would be very grateful to receive your comments and views on the proposals for a Financial Capability Strategy for Northern Ireland.

Please answer the following questions as completely as you can.

About You

1. Are you responding as:

- An individual
- An organisation (if so, please state name of organisation below

___Belfast Healthy Cities_____

2. Are you a professional/practitioner engaged in an aspect of financial capability?

- Yes No

If yes please indicate if that is in the areas of:

- Education Adult Education/Training/Employment Advice providing Information counselling Other

3. Do you work primarily with any vulnerable groups?

- Yes No

(If yes, please specify)

Belfast Healthy Cities aims to tackle inequalities and is committed to improving the health and wellbeing of people living and working in Belfast through an intersectoral approach, demonstration projects and policy development to all vulnerable groups, particularly those experiencing inequalities.

Section 2 – Why do we need a Financial Capability in NI?

4. Does the Strategy and supporting evidence as presented in the report “Financial Capability in Northern Ireland 2012”, adequately articulate the need for action and intervention by the Executive on financial capability?

Yes **No** **Don't know**

If yes, please provide details

In addition to the above answer the strategy needs to link to other work, especially on poverty. Financial Capability is a cross cutting theme which affects all members of society, their individual skills and knowledge impact on their health and wellbeing as well as the economy as a whole.

Section 4 – The Programme for Government

5. Is it clear how the Financial Capability Strategy relates to the wider Programme for Government?

Yes **No** **Don't know**

If yes, please provide details

Belfast Healthy Cities welcome the inclusion of the link made to health and wellbeing. It is positive for the implementation of the strategy to acknowledge the link between financial capability and overall health and wellbeing of both an individual and society.

Section 5 – A Vision for NI's Financial Capability Strategy

6. Do you agree with the vision outlined for a NI Financial Capability Strategy?

Yes **No** **Don't know**

If no, please explain why

7. Do you agree that the new Financial Capability Strategy should be for 5 years?

Yes **No** **Don't know**

If no, please provide details

Long-term investment to build capacity in financial capability is needed. The strategy should be a priority for government to ensure effective implementation and uptake of initiatives at all stages of the life cycle. This would ensure it becomes part of the culture of budgeting and financial planning among people in Northern Ireland. Therefore the strategy needs to be for at least 10 years with regular monitoring and evaluation to ensure effective progress.

Section 7 – Executive's Priorities for Financial Capability

8. Do you agree with the Executive's priorities for Financial Capability?

Yes **No** **Don't know**

If no, please explain why

In addition a widespread increase in financial capabilities across our society is needed, therefore initiatives need to be developed which specifically target vulnerable groups; those with disabilities, young people, older people and women, as well as those across all socioeconomic backgrounds. A collaborative approach by the health sector and voluntary sector to identify effective ways of doing this would be welcomed.

Section 8 – Delivering The Vision

9. Are there any other actions the NI Executive could take to deliver their Financial Capability vision?

Yes **No** **Don't know**

If yes, please provide details

For successful implementation of the strategy to be felt across society collaboration with other relevant departments is essential, particularly education, training, health, regeneration and economic policy.

Impact Assessments

10. Do you have any comments on the Impact Assessments detailed on Page 48?

Yes **No** **Don't know**

If yes, please provide details

Any other comments

11. Please detail below any other comments you may have?

It would be beneficial to carry out a Health Impact Assessment to ensure the cross sectoral approach to implementing the policy considers Health Equity in All Policies (HEiAP). Belfast Healthy Cities would be available to facilitate this process.

Questionnaire Complete – Thank you

Thank you for taking the time to complete the questionnaire.

Please email your response to: Financialcapability@detini.gov.uk

Or send by post to: Financial Capability Branch, Room 53, Netherleigh ,
Massey Avenue, Belfast BT4 2JP

ⁱ WHO (2013) Health literacy: The solid facts, <http://www.euro.who.int/en/what-we-publish/abstracts/health-literacy.-the-solid-facts>

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- ii Aegon Retirement Readiness Survey (2013) The Changing Face of Retirement, <http://www.aegon.com/Documents/aegon-com/Insight/Retirement-readiness/Aegon-Retirement-Readiness-Survey-2013.pdf>
- iii Lusardi, A, Mitchell, O. (2007) Business Economics, January 2007, Vol 42, I 1, pp 35-44, Financial Literacy and Retirement Preparedness: Evidence and Implications for Financial Education, <http://www.econstor.eu/bitstream/10419/25516/1/527633305.PDF>
- iv OFMDFM website accessed January 2013, <http://www.ofmdfmi.gov.uk/central-anti-poverty-unit>
- v OFMDFM, Lifetime Opportunities: Governments anti-poverty and social exclusion strategy for Northern Ireland <http://www.ofmdfmi.gov.uk/antipovertyandsocialinclusion.pdf>
- vi Dahlgren, G and Whitehead, M (2007) European strategies for tackling social inequities in health: Levelling up: Part 2, WHO Collaborating Centre for Policy Research on the social determinants of health, http://www.euro.who.int/__data/assets/pdf_file/0018/103824/E89384.pdf
- vii Belfast Healthy Cities (2011) Equity from the Start: Health Equity in All Policies, Health Through a Lens <http://www.belfasthealthycities.com/PDFs/Equity%20from%20the%20Start.pdf>
- viii Marmot, M. (2010) Fairer Society, Healthy Lives. The Marmot Review. London, Institute of Health Equity, University College London.
- ix Joseph Rowntree Foundation (2012) Building a sustainable quality part-time recruitment market <http://www.jrf.org.uk/sites/files/jrf/part-time-recruitment-full.pdf>
- x OFMDFM (2012) Join In, Get Involved: Build a Better Future. A Volunteering Strategy and Action Plan for Northern Ireland. <http://www.dsdni.gov.uk/join-in-get-involved-2012.pdf>
- xi The Royal College of Psychiatrists [RCP] (2003) "Employment opportunities and psychiatric disability", London: Royal College of Psychiatrists
- xii Perkins R.E. & Rinaldi M. (2002), Unemployment rates amongst patients with long-term mental health problems: A decade of rising unemployment, Psychiatric Bulletin 26, 295-298
- xiii National and Economic Social Forum in MHEEN (2008) Employment and mental health: Assessing the economic impact and the case for intervention [http://eprints.lse.ac.uk/4236/1/MHEEN_policy_briefs_5_Employment\(LSERO\).pdf](http://eprints.lse.ac.uk/4236/1/MHEEN_policy_briefs_5_Employment(LSERO).pdf)
- xiv Walker-Bone K, Cooper C. (2005) Hard work never hurt anyone: or did it? A review of occupational associations with soft tissue musculoskeletal disorders of the neck and upper limb IN Waddell, G and Burton, K (2006) Is work good for your health and wellbeing, commissioned by the Department for Works and Pensions, <http://www.dwp.gov.uk/docs/hwwb-is-work-good-for-you.pdf>
- xv Northern Ireland Assembly (2012) Report on Creating Effective Partnerships between Government and the Voluntary and Community Sector, <http://www.niassembly.gov.uk/Assembly-Business/Committees/Public-Accounts/Reports/Report-on-Creating-Effective-Partnerships-between-Government-andthe-Voluntary-and-Community-Sector/>
- xvi HOUSE OF LORDS March 2013) - Select Committee on Public Service and Demographic Change Report of Session 2012–13 - Ready for Ageing?, <http://www.publications.parliament.uk/pa/ld201213/ldselect/ldpublic/140/140.pdf>

^{xvii} Jumpstart Coalition for Personal Financial Literacy (1997-2013) Jump\$tart,
<http://jumpstart.org/activities-and-initiatives.html>

^{xviii} NYSE Euronext (2013) NYSE Euronext Celebrated fourth Annual Financial Capability Week;
<http://www.marketwatch.com/story/nyse-uronext-celebrated-fourth-annual-financial-capability-week-2013-04-19>

^{xix} National Council of Financial Supervisors (2012) Portuguese National Plan for Financial Education Annual Report 2012, [http://www.cmvm.pt/Documents/AtividadesPNFFA4eng%20\(3\).pdf](http://www.cmvm.pt/Documents/AtividadesPNFFA4eng%20(3).pdf)

^{xx} Community Foundation Northern Ireland (2011) A Financial Inclusion and Capability Strategy for Northern Ireland, Policy Basics: Issue 5;
<http://www.communityfoundationni.org/download/files/CFNIObs%20PB%20FinancialInclusionCapabilityStrategyNI%2011-2011.pdf>

^{xxi} Consumer Council for Northern Ireland (2013) Money affairs, What is financial capability?;
<http://www.consumercouncil.org.uk/key-issues/financial-capability/>