

**A Response to: Taking Control - A Financial
Capability Strategy for Northern Ireland Policy
Consultation**

**Issued by: Department of Enterprise, Trade and
Investment**

July 2013

Introduction

1.1 The Women's Support Network (hereafter, WSN) welcomes the opportunity to respond to the Department of Enterprise, Trade and Investment's *Taking Control: A Financial Capability Strategy for Northern Ireland Policy Consultation* (hereafter, FCS).

1.2 Established in 1989, WSN is a regional organisation that works across all areas of Northern Ireland. It includes in its membership community-based women's centres, groups and organisations, with a concentration in disadvantaged areas. WSN is a charitable and feminist organisation, which adopts a community development approach. We provide a range of support services to 63 community based women's centres, projects and infrastructure groups and 26 associate members drawn from across the community and voluntary sector, who support women, families and communities (see Appendix 1).

1.3 Our members provide a wide range of women-centred frontline services across Northern Ireland, including:

- Specialist Advice
- Childcare & Family Support
- Counselling, Support and Advocacy
- Complementary Therapies
- Training & Education
- Health & Wellbeing Programmes
- Personal Development & Employment Support
- Volunteering, Leadership & Empowerment

1.4 WSN aims to achieve social, political and economic justice through the promotion of the autonomous organisation of women. The Network aims to strengthen the collective voice of women's groups and to promote and develop networking opportunities, to enable collective action and to impact upon policy and decision-making processes. WSN

provides an accessible, feminist, relevant and high quality support service and resource for its member groups. The Network is also an important information resource on issues relevant to community-based women's organisations and for other infrastructure groups, nationally and internationally.

1.5 Over the past 30+ years, the community-based women's sector has developed a range of frontline services, such as childcare, support, advice and education/training services, in response to the needs they identified at a grassroots level. Women's groups continue to meet the particular needs of women and their children living in areas considered to be among the most affected by the conflict, and recognised as the most disadvantaged across Northern Ireland.

1.6 Network members are actively engaged with their local communities, cross-community initiatives and regional structures throughout Northern Ireland.

2. General Comments

2.1 WSN welcomes this consultation exercise as an attempt by the Executive to address some of the factors related to financial literacy underlying financial vulnerability and exclusion in Northern Ireland. Financial vulnerability and exclusion can correlate with other forms of vulnerability and exclusion, including social vulnerability and rural exclusion. For this reason, we particularly welcome the document's focus on rural exclusion and the impact of the Welfare Reform Programme as priority areas for action.

2.2 A major component of the policy consultation document concerns the Executive's commitment to ensure adequate access to advice and support services for financially vulnerable groups across Northern Ireland, including money management and debt advice/support. Within this context, there is also a particular commitment to provide advice and support services to mitigate the impact on benefit claimants of

changes anticipated under the Welfare Reform Bill, including the transition to Universal Credit.

WSN welcomes this initiative, but has serious concerns over the provision and funding of this additional burden on advice provision in Northern Ireland, especially should that burden fall disproportionately on provision within the voluntary and community sector. We would emphasise the obvious point that any additional burden of this kind should be properly resourced with sustainable funding to ensure its viability, effectiveness and continuity.

2.3 WSN notes that the target audience of the proposed strategy includes ‘vulnerable’ groups, defined as comprising, amongst others, lone parents, ex-offenders and their families, older people, people with disabilities and women. We welcome the consultation document’s recognition that at certain stages of life and life events, particularly crisis events, women in this category are likely to be in particular need of financial advice (5.6). For example, the death of a spouse can often result in poverty for women, and this factor may be compounded by the tendency of women to live longer than men.¹ Women in Northern Ireland are also at greater risk of financial vulnerability associated with lone parenting status: of the 63,900 lone parent households with dependent children recorded in the 2011 Census, 91 per cent were female-headed.² For other women, crisis events may be precipitated by financial vulnerability that has its roots in domestic violence, and we examine this important issue in the next section.

The issues that vulnerable women face at such times are often complex, and the particular kind of dedicated support and advice they might need may be best delivered/met within a women-only advice space. A women-only space provides a safe, comfortable place where

¹ D. Weir, and R. Willis, Prospects for widow poverty in the finances of married couples in the HRS, in O. Mitchell, P.B. Hammond, and A. Rappaport (eds). *Forecasting Retirement Needs and Retirement Wealth*, University of Pennsylvania Press: Philadelphia, 2000.

² R. Russell, *Northern Ireland Assembly, Research and Information Service Research Paper - Census 2011: Key Statistics at Northern Ireland and LGD level*, NIA: Belfast, 2013.

women can meet with other supportive women to discuss their needs confidentially, share their experiences and receive encouragement and properly tailored (i.e. gender-specific) advice.³

Recent research conducted by WSN, which investigated the capacity of women's centres and groups to provide a specialist women-only advice and support service in areas of high disadvantage across Belfast, affirmed the importance of and case for such women-only services for vulnerable women.⁴ In particular, the study highlighted the importance of the specialist provision at Falls Women's Centre's Advice Service in offering advice and support to socially excluded and financially vulnerable women. The importance of the centre's work to improving the everyday lives of vulnerable women was encapsulated in the comments of service users. For example, one woman commented that 'counselling at the centre helped me overcome serious depression, and advice staff supported me in building confidence and getting into education and courses'.⁵ Another recounted the different kinds of support she had received: support 'in staying sober'; counselling for mental health; and, more fundamentally, 'a lifeline to keep going'.⁶ To build on the success of the Falls' model, by maximising its potential to frame advice and support for vulnerable women across Northern Ireland, the study recommended that local authorities and relevant statutory agencies support the embedding of the model in all of the women's centres.

From this perspective, we are disappointed that there is no acknowledgement in the consultation document of how at such times of particular need, vulnerable women may require and benefit most from recourse to a women-only advice and support service. Furthermore, we are concerned at the absence in the document of any reference to the need for specialist women-only advice and support services, to address

³ WSN, *Lifeline for Women: Empowerment through Advice Support and Advocacy*, WSN: Belfast, 2013.

⁴ *Ibid.*, p.24.

⁵ *Ibid.*, loc. cit.

⁶ *Ibid.*, p.23.

the specific and often complex needs of financially vulnerable women and families across Northern Ireland.

WSN calls on the Executive to secure the provision of such women-only advice and support services, by committing to a sustainable funding framework for this specialist provision, such as would allow the Falls Women's Centre model to be rolled out across Northern Ireland into the other women's centres, with some degree of longevity.

2.4 We note with interest the Department's observation, in the proposed strategy's equality screening form, that women have a 'greater financial capability need in terms of knowledge and awareness, which could be positively impacted upon by a financial capability strategy'. However, we are disappointed that the FCS fails to properly define and address key gender differences in financial capability and barriers to financial capability for women. These barriers include fewer opportunities for women to have 'experiential learning' in financial management through participation in household financial decision-making, working outside the home, accessing credit and holding property.⁷

We note in particular the absence of any mention of economic abuse as a significant barrier to women's financial inclusion. Economic abuse is a type of domestic and family violence, which entails behaviours that impede an individual's attempt to realise economic independence.⁸ Women with abusive partners often 'face tremendous threats to their financial well-being and barriers to realising their personal financial capability'.⁹ Abusers use physical, psychological, and economic behaviour to 'isolate, control, exploit, and terrorise their partners'.¹⁰

⁷ A. Hung, J. Yoong and E. Brown 'Empowering women through financial awareness and education', *OECD Working Papers on Finance, Insurance and Private Pensions*, No. 14, OECD Publishing, 2012.

⁸ F. Macdonald, *Spotlight on economic abuse: Catalyst Paper 4: Financial capability and economic abuse*. Good Shepherd Youth & Family Service and Kildonan Uniting Care: St Albans, 2012.

⁹ A. Adams. (2011). 'Measuring the effects of domestic violence on women's financial well-being', *CFS Research Brief*, University of Wisconsin-Madison: Madison, 2011, p.1.

¹⁰ *Ibid.*

Economic abuse is correlated with financial hardship for women.¹¹ It can also adversely impact women's health, housing, employment, interpersonal relationships and parenting.¹²

The question of how women in these circumstances can individually and collectively gain economic empowerment is important and complex, and should clearly feature in any strategy aimed at addressing financial exclusion.¹³ Effectively addressing the complex financial capability issues around the economic abuse of women requires a strong commitment from government to providing properly tailored, and adequately resourced, solutions. For example, research suggests that 'a comprehensive strategy to build financial capability [for female victims of economic abuse] may need to address immediate financial insecurity [and] may also need to address the short-term aims of keeping a woman and her children safe and preventing further abuse'.¹⁴ While women's needs will vary, access to women-only advice and support services, such as that provided by the Falls' Women's Centre model, may be crucial in this context, providing a safe place where women can, inter alia, discuss their needs, share their experiences confidentially and develop a positive self-image.¹⁵ The scale of the experience of domestic violence among service users at the Falls Women's Centre's Advice Service affirms this conclusion: of the 559 service users in 2011-12, 299 had experienced partner abuse.¹⁶

We therefore recommend that the Executive give proper consideration to this complex gender dimension of financial vulnerability in moving forward with the FCS.

2.5 WSN notes with positivity the Minister's commitment in the FCS to working cross-departmentally and cross-sectorally to address financial

¹¹ Ibid.

¹² Ibid.

¹³ Hung, Yoong and Brown, op. cit.

¹⁴ Macdonald, op. cit., p.2.

¹⁵ WSN, op. cit.

¹⁶ Ibid.

capability issues affecting financial exclusion, as expressed in her acknowledgement that: ‘an effective strategy requires a joined-up approach across all sectors, public, private, voluntary, and community, co-ordinating efforts, sharing best practice, raising standards, and targeting help towards those with the greatest need’ (p.3).

Over many years, WSN has repeatedly called for government to adopt a more systematic, integrated cross-departmental approach to policy planning, development and implementation. We have frequently pointed out the potential strategic benefits for government to be had from working in this way, such as the alignment of goals, improved use of resources and more efficient service delivery. To maximise these benefits in respect of the integrated approach proposed for the FCS, WSN recommends that the Executive should also adopt an integrated approach to the evaluation of wider policy initiatives that impact financial inclusion. Such an integrated evaluative approach would entail cross-cutting/cross-departmental analysis, aimed ultimately at evaluating the *cumulative* impact on the financially vulnerable of the interaction between these wider initiatives.

3. Specific Comments

Executive’s priorities for financial capability: financial inclusion

3.1 We welcome the proposed availability of a new Discretionary Support Service to assist people in maximising their benefit entitlement and improving their financial capability, including a referral facility to advice services (7.29). However, we have serious concerns about the funding of this initiative and the other advice and support services mentioned in the document, upon which the implementation of the proposed strategy will heavily rely. The likely extent of this reliance is implied in the number of references within the document to signposting to advice services, as a way of promoting financial management skills and confidence in Northern Ireland.

The government's Regional Infrastructure Thematic Programme for advice brought forward funding cuts of 5% in 2012/13, 5% in 2013/14 and 8% in 2014/15. Clearly these cuts will have a debilitating effect on advice provision across the sector, by undermining capacity and resources within provider organisations.

WSN therefore recommends that the Executive should give careful consideration to the overall funding of advice organisations, and provide clarification as to how the provision of these signposted services would work in practice, given these funding constraints. We would also recommend that the strategy incorporates signposting to women-only advice and support services, for reasons outline above (at 2.3 and 2.4).

3.2 The consultation document outlines the Executive's intention to ensure that currently 'unbanked' claimants (i.e. those without bank accounts), 'understand the benefits of electronic payments, not just in receiving their benefits but in fulfilling their wider needs as purchasers of goods and services, online and offline, in an efficient and low-cost way' (7.30).

This statement takes no account of key differentials in access to internet services among claimants and the availability of internet connectivity across Northern Ireland. This issue of uneven access comprises a so-called digital divide, as affirmed most recently in Ofcom figures. For example, according to this research, as at the first quarter of 2012, the take-up of fixed-line broadband (66%) and mobile broadband services (7%) in Northern Ireland were both lower than the UK averages (72% and 13% respectively); 31% of homes in Northern Ireland had no broadband connection (fixed or mobile); and, less than half (44%) of those aged 55+ had access to broadband services, as compared to the equivalent UK average of 59%.¹⁷

¹⁷ Ofcom, *The Communications Market Report: Northern Ireland*, Ofcom: London, 2012, p.6.

The consultation document does at least acknowledge internet access as a financial capability issue pertaining to rural exclusion. However, as the relationship between technological information and financial management evolves, and financial management invariably becomes ever more digitally-dependent, the challenge for government in taking forward the proposed strategy is how to prevent vulnerable groups in Northern Ireland from being further financially excluded. WSN therefore calls for further clarification from government as to how the proposed strategy would address this digital dilemma.

3.3 The equality screening form accompanying the FCS suggests that ‘the main differences between men and women in terms of financial capability related to higher reported levels of financial knowledge and awareness amongst men’. This observation takes no account of other key gender differences impacting financial literacy. For example, because of temporary and part-time working patterns, women are often less likely to possess pensions or to have experience of dealing with pensions. A key contributing factor underlying these working patterns involves the role of women as primary care-givers. According to recent research published by Carers’ UK, there are over 207,000 carers in Northern Ireland, 64% of whom are women.¹⁸

The time-burden on women, as primary care-givers, can jeopardise and even prevent their participation in the formal employment sector by severely limiting their options. Sometimes these women may seek out part-time work to fit around their caring responsibilities. These positions can tend to be low paid, temporary and sporadically available. But often even part-time employment outside the home is entirely unfeasible for women as primary carers. So by assuming the role of unpaid primary carers for either family members or loved ones, women are often left with no option but to withdraw altogether from paid work outside the home.

¹⁸ Carers’ UK, *Valuing Carers: Calculating the Value of Carers’ Support*, CUK: London, 2011.

In the past, WSN has recommended that the Executive should consider the introduction of financial support for these unpaid carers, such as would take due account of their exclusion from the formal employment sector and the reasons behind this exclusion. We reiterate this recommendation.

Finally, research suggests that to address such gender differentials in financial capability, it is important to design, implement and measure suitably tailored gender-specific interventions.¹⁹ Disappointingly, the document makes no mention of gender-specific services and interventions to address this gender gap in financial literacy.

3.4 The document recognises that ‘there is evidently a need to identify and eradicate ... barriers to financial inclusion in Northern Ireland if we are to improve levels of financial capability’ (7.7). WSN welcomes the Department’s commitment to addressing barriers to financial exclusion. However, government measures directed at improving financial literacy among vulnerable groups, such as signposting to learning, advice and support services, are inherently limited in what they can achieve in addressing these barriers. Indeed, the lack of financial literacy among vulnerable groups is often a symptom of their exclusion from the labour market since it means they lack experiential learning in financial management from working in paid capacities outside the home.

On this view, improving levels of financial literacy among the financially vulnerable and benefit claimants in impactful ways will require the availability of sustainable job opportunities, such as offer individuals the possibility of moving into the labour market to positions that provide a living wage.

Furthermore, in respect of women claimants, any initiatives in this direction must give due consideration to the provision of accessible and affordable childcare, such as would facilitate their entry and/or re-entry into the labour market in properly supported ways.

¹⁹ Hung, Yoong and Brown, op. cit.

Executive's priorities for financial capability: rural exclusion

3.5 WSN notes with positivity that the proposed strategy prioritises rural exclusion. Vulnerable women face an additional barrier to financial inclusion by residing in rurally isolated communities. Transport services are vital in promoting accessibility to help reduce this isolation, and the hardship that can accompany it. Yet woman living in rural areas often face the reality that public transport is both inaccessible and unaffordable to them. All too often, public transport prioritises availability at peak times to facilitate commuter travel. Reduced and/or non-existent availability at other times can exclude vulnerable groups.

We are therefore disappointed that this consultation document makes no explicit mention of the need to address the relationship between transport availability and financial inclusion for rurally isolated and vulnerable households. For this reason, we recommend that the Executive give due consideration to this serious issue in reviewing the development of the FCS.

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WSN MEMBERSHIP 2012

	<u>Member Group</u>
1	All Ireland Mother's Union
2	An Munia Tober (Travellers)
3	Antrim & Ballymena Women's Aid
4	Ardmonagh Women's Group
5	Ardoyne Women's Group
6	ATLAS Women's Centre
7	Al Nisa Women's Group
8	Ballybeen Women's Centre
9	Ballymurphy Women's Group
10	Belfast & Lisburn Women's Aid
11	Belvoir Women's Improvement Group
12	Carrickfergus Women's Forum
13	Carew II
14	Causeway Women's Aid
15	Chrysalis Women's Centre
16	Clan Mor Women's Group (Sure Start)
17	Derry Well Woman
18	Derry Women's Centre
19	Falls Women's Centre
20	First Steps Women's Group
21	Footprints Women's Centre
22	Foyle Women's Aid
23	Foyle Women's Information Network
24	Granaghant District Women's Group
25	Greenway Women's Centre
26	Kilcooley Women's Centre
27	Lesbian Advocacy Services Initiative
28	Lesbian Line
29	Lenadoon Women's Group
30	Ligoneil Family Centre
31	Link Women's Group
32	Manor Women's Group
33	Markets Women's Group
34	NI Women's Aid Federation
35	NI Women's European Platform
36	Fermanagh Women's Network
37	Newry & Mourne Women
38	Newtownabbey Women's Group
39	Older Women's Network NI
40	Omagh Women's Aid
41	Rape Crisis Centre
42	Rasharkin Women's Group
43	Shankill Women's Centre
44	Strabane & Lifford Women's Centre

45	Strathfoyle Women's Centre
46	The Learning Lodge
47	Voices Women's Group
48	Waterside Women's Centre
49	Windsor Women's Centre
50	Women Connect Project
51	Women into Politics
52	Women's Information Group
53	Women's News
54	Women's TEC
55	Women 2 Gather
56	Women's Resource & Development Agency
57	WISPA (Women in Sport & Physical Activity)
58	Ardcarn Women's Group
59	OIYIN Women's Group
60	Mossley Women's Institute
61	Mount Vernon Women's Group
62	Coole New Opportunities
63	North Belfast Womens Initiative & Support Project
	<u>Associate Members</u>
1.	Ballymena Community Forum
2.	CiNI
3.	Community Relations Forum
4.	East Belfast Community Partnership
5.	Employers for Childcare
6.	HIV Centre (Women's Support Group)
7.	Mencap
8.	National Women's Council of Ireland
9.	Playboard
10.	RNIB (Women's Group)
11.	Good Morning Newtownabbey
12.	Monkstown Community Association
13.	WAVE Trauma Centre
14.	WEA
15.	Parents Advice Centre
16.	Templemore Community Action Group
17.	Gingerbread
18.	Larne Community Development Project
19.	Community First Coaching
20.	Changing Faces
21.	Sands NI
22.	Women's Project Ashton Centre
23.	Women on Track
24.	Matt Talbot Women's Group
25.	Ulster People's College
26.	Council for the Homeless NI