

National Financial Capability Strategy research report

Review of literature to inform the development of a monitoring and
evaluation framework for the National Financial Capability Strategy

March 2020

Acknowledgement

SVA acknowledges and pays respect to the past, present and future traditional custodians and elders of this country on which we work. We also accept the invitation in the Uluru Statement from the Heart to walk together with Aboriginal and Torres Strait Islander peoples in a movement of the Australian people for a better future.

About Social Ventures Australia

Social Ventures Australia (SVA) is a not-for-profit organisation that works with partners to alleviate disadvantage – towards an Australia where all people and communities thrive.

We influence systems to deliver better social outcomes for people by learning about what works in communities, helping organisations be more effective, sharing our perspectives and advocating for change.

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1. Report summary

The National Financial Capability Strategy, led by the Australian Securities and Investments Commission (ASIC), informs and drives actions to improve the financial capability of Australians.

In line with feedback received during consultations on the Strategy, ASIC is developing a shared impact monitoring and evaluation framework (the Framework). The purpose of the Framework will be:

- To enable organisations to better understand the outcomes of their work
- To provide organisations with tools and resources for measuring impact
- To encourage more consistent ways of measuring impact across the financial capability network
- To contribute to the broader knowledge base of what works and the progress of improving financial capability across Australia.

This report was the first stage in the design of the Framework and informed its development. It is a review of 34 evaluations of financial capability initiatives in Australia, and of other relevant shared outcomes measurement frameworks worldwide.

The National Strategy identifies three core behaviours, in which Australians can be empowered to take control of their financial lives:

- Managing money day-to-day
- Making informed money decisions
- Planning for the future

Outcomes relating to individuals that were identified in the review include financial attitude and motivation, financial knowledge, financial skills and ability, financial behaviours, financial inclusion, financial wellbeing, and overall wellbeing. Outcomes not relating to individuals were also identified for communities, organisations and governments. A comprehensive list of indicator domains relevant to each core and sub outcome was also collated for reference in consultation discussions.

National financial capability and competency frameworks have been developed in at least 15 countries to support national financial capability strategies, including the United Kingdom, United States, Canada and New Zealand. A review of these international examples has highlighted lessons for Australia to keep in mind while developing its own monitoring and evaluation framework, including:

- The content of many financial capability outcomes frameworks is relatively similar. Mapping or comparing draft outcomes identified in this project to outcomes identified in research and in international examples of national frameworks can ensure nothing critical is missed
- The successful implementation of a comprehensive shared measurement approach requires time and funding for stakeholder consultation and a lead organisation to oversee activities.

Other lessons that can be drawn from shared frameworks developed in other sectors include:

- The requirement for long-term and sustained commitment from the lead agency, including dedicated in-house resources and some form of centralised data collection
- The need for enthusiasm and commitment to revise and improve, as new evidence becomes available
- The benefit of an education campaign for people working in government to shift culture around measuring for outcomes rather than outputs
- The need to address the perception that administrative burden is created by shared outcomes measurement, and to ensure that the benefit and applicability to organisations is immediate and clear.

To develop a monitoring and evaluation framework that is well-suited to the Australian context, this report identified key considerations for what to include in the framework, and how it should be implemented, to maximise engagement across the sector.

Key findings from this review that informed what to include in the framework:

- Acknowledge external influences that are relevant to the National Financial Capability Strategy
- Define the level of alignment needed with existing frameworks
- Be clear about the level of detail required
- Be mindful of incorporating appropriate evaluation approaches and tools
- Create different outcomes for different cohorts
- Map the link between outcomes and evidence
- Consider future initiatives that are not yet taking place

Key findings from this review that can inform how the framework is implemented are:

- Work closely with partners
- Ensure there is strong internal commitment to shared outcomes
- Test and iterate the framework over time.
- Provide easy-to-use practitioner information and guidelines
- Be transparent about data and timelines
- Articulate the incentives for organisations during framework development and beyond.

The findings of this report have informed the development of the Framework so it can be user-friendly, forward-thinking, and uniquely suited to the Australian context.

**The Monitoring and Evaluation Framework for the
National Financial Capability Strategy can be found at:**

www.financialcapability.gov.au/impact/

2. Introduction

2.1 The National Financial Capability Strategy

The National Financial Capability Strategy, led by the Australian Securities and Investments Commission (ASIC), informs and drives actions to improve the financial capability of Australians.

The National Strategy was launched following wide consultations with Australia's financial capability community in 2017 and 2018. The Strategy builds on the work set out in two earlier strategies in 2011 and in 2014, and the initiatives of partner organisations aligned with the Strategy.

In 2018, the language of the National Strategy was changed from 'financial literacy' to 'financial capability', to reflect a more nuanced understanding of what being capable with money means, and to more accurately reflect current initiatives and to better support intended outcomes.

The National Strategy identifies three core behaviours, consisting of four sub behaviours, in which Australians can be empowered to take control of their financial lives. These were informed by existing financial capability frameworks and developed by consultation with the financial capability community.

- **Managing money day-to-day:** Track money in and out, look at spending priorities, manage debt and credit use, get into a savings habit
- **Making informed money decisions:** Learn more about money, talk more about money, consider options and choices, get help when needed
- **Planning for the future:** Working towards savings goals, stay on top of superannuation, make informed investing choices, protect what matters most

2.2 Developing a monitoring and evaluation framework for the National Strategy

In line with feedback received during consultations on the Strategy, ASIC is developing a shared impact monitoring and evaluation framework (the Framework). The purpose of the Framework will be:

- To enable organisations to better understand the outcomes of their work
- To provide organisations with tools and resources for measuring impact
- To encourage more consistent ways of measuring impact across the financial capability network
- To contribute to the broader knowledge base of what works and the progress of improving financial capability across Australia.

The development of the Framework has been undertaken with Social Ventures Australia (SVA) and involved close engagement with Non-Government Organisations (NGOs), industry, academics and other government agencies.

The Monitoring and Evaluation Framework for the National Financial Capability Strategy can be found at:

www.financialcapability.gov.au/impact/

2.3 The purpose of this report

This report was the first stage in the development of the Framework. It comprises a review of 34 evaluations of financial capability initiatives in Australia, and of shared outcomes measurement for financial capability initiatives and other sectors.

This report provided an evidence-base to inform the development of the monitoring and evaluation framework.

2.4 Situating financial capability

The concept of **financial capability** is generally understood to be a broader way of thinking about how people put financial knowledge (often called **financial literacy**) into practice, yet there is no universally recognised definition for financial capability.

In the United Kingdom, the Financial Services Authority have previously defined financial capability as four key behaviours: managing money, planning ahead, choosing products and staying informed¹. More recently, the United Kingdom's Money Advice Service has identified a range of 'building blocks' that influence financially capable behaviours including abilities, mindsets and connections². These are relevant to specific cohorts including adults, children and young people, retirees and teachers.

In the United States of America, the Centre for Financial Inclusion offers a broader concept of financial capability that includes internal and external factors that can influence behaviour. This definition states financial capability is "a combination of attitude, knowledge, skills, and self-efficacy needed to make and exercise money management decisions that best fit the circumstances of one's life, within an enabling environment that includes, but is not limited to, access to appropriate financial services"³.

Recently, there has been a shift towards using data-driven approaches to understand more precisely which financial behaviours lead to a person feeling financially comfortable and in control (often called **financial wellbeing**). Research efforts across the globe are leading towards an evolving understanding about what financial wellbeing is and how it can be improved.

1 Atkinson, A., McKay, S., Collard, S., & Kempson, E. (2007). Levels of financial capability in the UK. *Public Money and Management*, 27(1), 29-36.

2 Bagwell, S. (2014) *Financial capability outcome frameworks*, NPC

3 Stuart, G (2013) *What is financial capability?* Centre for Financial Inclusion, Available at www.centerforfinancialinclusion.org/what-is-financial-capability

3. Financial capability interventions in Australia

3.1 The financial capability landscape in Australia

3.1.1 What types of financial capability activities are happening in Australia?

Financial capability activities include counselling and coaching, financial products and services, and ongoing support and incentives all aimed at helping consumers gain greater financial stability, resilience, wellbeing and assets. Many programs incorporate a blend of activities (for example one-on-one support and workshops), or include financial capability building in another type of activity (for example micro-enterprise development).

In addition to these individually focused interventions, a range of other activities aim to improve the socio-economic environment that influences financial capability. These include workforce development, public awareness campaigns and research and advocacy activities. The design and marketing of financial services products also affects the environment in which individuals make financial decisions.

Table 1 sets out the types of interventions grouped by their target audience. Each are described in more detail in the subsequent pages.

<p>Initiatives targeting individuals and communities</p> <ul style="list-style-type: none"> • Coaching and counselling on financial issues (includes broader coaching and counselling e.g. mental health support, family violence support) • Financial education programs for children and young people • Financial education programs for adults • FinTech and online tools • Edutainment • Microenterprise development • Financial products and services • Public awareness and education campaigns
<p>Initiatives targeting organisations</p> <ul style="list-style-type: none"> • Intermediary professional development and training (e.g. teachers, mental health workers, staff working within a financial services organisation) • Advocacy (e.g. Financial Inclusion Action Plans) • Research (e.g. research to improve program and product design)
<p>Initiatives targeting government</p> <ul style="list-style-type: none"> • Research (e.g. research to inform public policy) • Advocacy (e.g. public policy)

Table 1: Types of financial capability interventions

3.1.2 Initiatives targeting individuals and communities

Coaching and counselling

One-on-one financial capability support is available to individuals, ranging from building financial confidence and skills, through to dealing with a major financial crisis.

One-on-one support can be delivered in nationally recognised roles funded by state and Federal governments (such as financial capability workers and financial counsellors). A range of community organisations also design and deliver financial coaching and mentoring that incorporates additional emotional wellbeing support. Some employers and educational institutions also provide access to financial information and one-on-one financial wellbeing support and financial counselling.

Financial coaches and capability workers can provide coaching, budgeting support, information and help to access further support, with the aim to build skills and strengthen capacity to manage money.

Financial counsellors offer a free, independent and confidential service that assists people in financial crisis with information, support and advocacy. Support is often provided over multiple sessions, and can be provided face-to-face or over the telephone, including through the National Debt Helpline.

Financial counsellors are qualified to advocate on behalf of a client and have knowledge in a range of areas including consumer credit law, debt enforcement practices, bankruptcy, industry financial hardship policies and government income and concession entitlements.

Financial education programs for children and young people

The Australian Curriculum requires that financial literacy is explicitly taught in the Mathematics curriculum for Years 1 through to Year 10 and in the Economics and Business curriculum for Years 5 to 10 and can be incorporated across most learning areas.

Through the ASIC MoneySmart teaching program, a wide range of teaching materials are available to primary and secondary schools that align with the Australian Curriculum, including 36 units of study and digital tools and resources. Teaching modules and other resources (including mobile games) have also been created by other organisations.

TAFEs and universities also deliver a range of financial education programs for students, including certificates and units of study that are aimed at building financial capability.

In addition to government-funded programs, a major financial institution also delivers free financial education programs within schools and aligned to the national and state-based school curriculums.

Financial education programs for adults

A wide variety of financial education programs and seminars are delivered across Australia, with direct delivery primarily by community organisations. There are also examples of programs delivered by employers and financial institutions. These range from programs that offer a one-off workshop to intensive programs that include a blend of group work and personalised financial coaching and support over a longer period.

Target cohorts range from any adult seeking to improve their financial capability, to programs tailored to meet the needs of specific groups (including people with disabilities, migrant women, people on low incomes, women who have experienced family violence, and Aboriginal and Torres Strait Islander peoples).

Edutainment

This includes media and theatre-based financial literacy initiatives that are delivered in partnership with creative organisations or funders. These can cross-over with FinTech in the development of games to teach financial capability concepts and skills.

Micro-enterprise development programs

A range of micro-enterprise development programs across Australia are available that typically provide a combination of individual coaching, groupwork, education (including financial literacy education) and practical support such as low or no interest loans.

Programs are often targeted at a specific cohort (such as people on low incomes, women, migrants or Aboriginal and Torres Strait Islander peoples), and are funded via philanthropic funding and government funding (both state and Federal).

FinTech and online tools

The FinTech industry in Australia is growing rapidly, with many innovative technology-based interventions available and under development that aim to build financial literacy and positive financial behaviours.

Initiatives include mobile phone apps and websites that incorporate gamified learning, budgeting apps that allow users to analyse and manage personal and household budgets, and interactive decision-making tools and 'chat bots' embedded into social media platforms.

The wide range of online resources for consumers to find relevant information, tools and tips include:

- Government-managed websites (such as ASIC's MoneySmart and the Australian Tax Office)
- Consumer information websites
- Websites and mobile apps developed to meet the specific needs of a target cohort (such as young adults, seniors, children and many more)
- Financial literacy resources available on the websites of many employers, financial institutions and other peak bodies.

Financial products and services

A range of safe and affordable financial products and services are available for consumers that have been designed specifically to improve the financial wellbeing of people on low incomes.

These include no-interest loans, low-interest loans, small business loans, debt consolidation and savings products that often incorporate tailored financial capability conversations as part of program design.

Public awareness and education campaigns

There are several examples of once-off or regular public awareness and education campaigns in Australia that aim to increase awareness of or educate people about existing tools, resources or services, or encourage behaviour change, such as thinking twice about using payday loans.

Delivery methods have included social media campaigns, radio messages and interviews, e-newsletters, television advertisements and community events.

3.1.3 Initiatives targeting organisations and governments

Intermediary professional development and training

Intermediary professional development and training focuses on people working with the general public or target cohorts, such as financial services practitioners, teachers, community services workers and volunteers. It aims to teach them about the concept of, and importance of, financial capability, as well as provide training in delivering financial capability workshops and interventions.

There are many examples of programs in Australia that incorporate a train-the-trainer component or provide other professional development or training support to people working on-the-ground to provide effective financial capability education.

In addition, not-for-profit organisations and education institutions such as TAFEs provide formal education in delivering financial literacy and capability support as well as offering financial counselling qualifications.

Research

Numerous corporates, universities and government departments invest in research activities that aim to support organisations and governments in designing and funding policies and programs.

This includes research that aims to build conceptual understanding and definitions of what financial resilience and wellbeing are in the Australian context and for specific cohorts (examples include women, Aboriginal and

Torres Strait Islanders, people with autism, older Australians).

Other research monitors and tracks levels of financial literacy and wellbeing over time and investigates and tests approaches to designing and delivering financial literacy and support interventions.

Advocacy

Several types of advocacy relating to financial capability occur in Australia.

More traditional advocacy efforts by peak bodies and other community organisations seek to influence public policy. They seek to address funding to the financial capability sector and the external factors that can inhibit a person's ability use their financial knowledge and skills to improve their financial circumstances, such as advocating for reform to credit regulation and social welfare policy.

The Financial Inclusion Action Plan program (FIAP) aims to influence the structural causes of financial vulnerability by encouraging a wide range of organisations across the government, corporate and non-profit sectors to take action to enable financial inclusion and resilience (including financial capability), including by examining the way that products and services are designed to encourage better outcomes for consumers.

3.2 Review of outcomes of financial capability initiatives

SVA has conducted a review of publicly available evaluation reports of financial capability initiatives in Australia that have incorporated an assessment of outcomes relating to financial capability. In total, 34 program evaluations were reviewed dating from 2014. The review primarily considered evaluations published on the Financial Capability Strategy website, adding other evaluations identified on the websites of individual organisations during the review process. ASIC Financial Wellbeing Partners were also offered the opportunity to provide evaluation material that may not be publicly available to be included as part of this review.

3.2.1 Where is there available evidence and where are the gaps?

To understand where evidence is available, this review has mapped these 34 evaluations according to program type/target cohort. Notwithstanding the quality of the evaluations, preliminary analysis suggests that the strongest area of evidence is in the delivery of financial education programs, and that there are gaps in evidence in other areas.

The types of programs that have been evaluated reflects the types of programs that are most common in Australia and trends in program funding. Funding for evaluations often attached to grants, particularly grants provided by Financial Literacy Australia in recent years, while advocacy is often not evaluated due to different approaches to funding and delivering projects (e.g. less available funding).

Some gaps identified in the Australian context in this analysis include evidence for:

- Technology-based interventions, including FinTech and online tools and edutainment.
- One-on-one financial coaching and counselling for young people and older people
- Public awareness and education campaigns
- Microenterprise development, particularly on financial capability as a component
- Financial education programs for Indigenous children and young people

Target Cohort	General Population	Women	Young people	Older people	Indigenous Australians	Other
Financial coaching and counselling	3	3			4	
Financial education programs for children and young people	N/A	N/A	6	N/A		1
Financial education programs for adults	4	4	N/A	1	6	
FinTech and online tools		2	1			
Intermediary professional development and training (target is end beneficiary)		1	1	1	1	
Public awareness and education campaigns	2	1				
Edutainment						
Microenterprise development		2			1	
Financial products and services	1	1			1	
Advocacy	1					

Note: The numbers in this table do not equal the number of evaluation reports reviewed because some evaluations related to an initiative that offers a blend of interventions, or organisations that offers multiple services.

Table 2: Evaluations by program type and cohort

3.2.2 What outcomes are organisations using to measure financial capability initiatives in Australia?

The outcomes and indicators identified in this review are extensive, covering a wide range of outcomes that may occur due to a financial capability intervention.

This review found that many evaluations explicitly aligned with existing academically validated frameworks or were informed by previous evaluations of financial capability often modifying questions and/or adding additional elements based on the activity or the target cohort.

The result is that many interventions, particularly financial education programs, use relatively similar high-level outcomes but often quite different sub outcomes and indicators making it difficult to compare programs. It is also possible that this has resulted in programs not measuring all relevant outcomes, as the understanding of how behaviour change happens has evolved.

Table 3 summarises the core and sub outcomes identified in this review, as categorised by the researcher.

Core outcome	Sub outcomes
Individual	
Financial attitude and motivation	<ul style="list-style-type: none"> Confidence Attitudes and beliefs Motivation
Financial knowledge	<ul style="list-style-type: none"> Knowing where to get help Understanding financial concepts and consumer rights Understanding personal financial situation
Financial ability	<ul style="list-style-type: none"> Ability to perform a range of financial tasks and to take action
Financial behaviours	<ul style="list-style-type: none"> Manage money day-to-day Make informed decisions Plan and save for the future
Financial inclusion	<ul style="list-style-type: none"> Access to financial products and services
Financial wellbeing	<ul style="list-style-type: none"> Personal financial situation (income, savings, debt) Relationships and social connection Emotions, including financial stress
Wellbeing	<ul style="list-style-type: none"> Attitudes, motivations and emotions (not specific to financial wellbeing) Relationships and social connection Health, including mental and physical health Overall wellbeing
Community	
Community	<ul style="list-style-type: none"> Public perception financial products and services Community engagement with issues effecting vulnerable consumers


Organisations and government*	
Organisation-level	<ul style="list-style-type: none"> • Participation and reach • Organisations, legal institutions and governments taking action to address financial vulnerability • Improved support for people 'at risk' • Understanding and recognition of importance of financial capability • Strong partnerships and collaboration • Engagement with wider community about financial capability • Contribution to structural change • Contribution to broader knowledge
Employee-level	<ul style="list-style-type: none"> • Ability to recognise and engage around financial capability/hardship • Understanding available services

*Organisations and government have been combined in this table due to the low number of publicly available evaluations and because outcomes identified covered both groups of stakeholders.

Table 3: Types of outcomes being used in evaluations reviewed

To understand the types of outcomes identified by specific programs, analysis of the outcomes used by program type was undertaken and is available in Table 5 (next page).

Analysis key

	No indicators identified in any evaluations		Many indicators identified in many evaluations
	Some indicators identified in some evaluations		Many indicators identified in all evaluations
	Some indicators identified in many evaluations		




































	Financial attitude and motivation	Financial skills and ability	Financial knowledge	Financial behaviours	Financial wellbeing	Key findings from evaluations reviewed
Financial coaching and counselling n=10						<ul style="list-style-type: none"> Financial counselling has led to immediate reductions in debt and ongoing improvements in financial capability, family relationships and health, especially in reducing the stress and worry related to money Financial coaching (holistic and care-based one-on-one support) improved confidence, empowerment and hope, as well as reduced debt and increased economic participation Mentors supporting women in business also generated some improvements in financial capability and changes in business practices
Financial education programs (children, young people and adults) n=22						<ul style="list-style-type: none"> A school-based program led to more positive student attitudes about the importance of learning about money, as well as changes in confidence to manage money and intention to apply learnings Classroom based financial education contributed to increased budgeting and talking about money A multi-week program designed for students with intellectual disabilities improved financial skills for the transition from school to work. A group-based financial literacy program designed for very vulnerable people (including homeless people) and delivered over multiple occasions led to sustained improvement in both general and personal financial knowledge, as well as in saving, planning, monitoring expenses and some other money behaviours A once-off workshop designed for the general population led to participants feeling motivated to apply learnings, and more confident in the short term with small sample indicated medium-term changes in spending behaviour A series of financial literacy events (including workshops) tailored for regional and rural women, led to increased financial confidence, motivation, knowledge and financial wellbeing for most respondents A program offering a blend of workshops and mentoring targeted at Indigenous people led to participants having a better standard of living overall A once-off workshop targeted at Indigenous workers led to improvements in financial confidence and money management behaviour but did not increase workforce engagement, productivity or retention
FinTech and online tools n=3						<ul style="list-style-type: none"> An online resource increased users' financial knowledge A chat bot contributed to significantly higher engagement with superannuation Face-to-face delivery of financial education was found to have a greater impact on participant financial capability than online delivery Text messages nudges were found to have a significant impact on improving financial behaviour for a program targeting homeless people, but did not necessarily lead to an improvement in participants' financial situation Text messages did not lead to improved financial knowledge in one research project, but recipients had improved social capital, feeling more supported than before
Edutainment	N/A					<ul style="list-style-type: none"> No evidence identified in this review. This is an emerging area.
Financial products and services n=3						<ul style="list-style-type: none"> A short budget conversation as part of a loan application has been found to improve social and economic outcomes, with financial capability peaking at the point of the loan application and reducing over the medium-term. Some indications that more intensive support over time can lead to increased knowledge and changed behaviour The combination of matched savings, financial education workshops and community organisations support, led to long-term outcomes including employment, debt reductions and reduced welfare reliance
Microenterprise n=3						<ul style="list-style-type: none"> A microenterprise development program designed for migrant women led to improved self-confidence and budgeting and financial management skills, and wider social networks for almost all participants. Many improved their financial situation and entered formal employment or study A microenterprise development program led to some participants having improved economic circumstances
Public awareness and education campaigns n=3						<ul style="list-style-type: none"> A video and social media campaign designed to encourage people to think twice about payday loans demonstrated a shift in attitudes towards payday loans
Intermediary professional development and training n=4						<ul style="list-style-type: none"> Intermediary training for community workers to incorporate financial capability into their everyday work has been found to be effective, however this evidence relies on the perception of the workers rather than end beneficiaries Training of migrant women to be bilingual peer educators delivering tailored workshops within their communities also led to improvements in participants' financial capability, and feelings of empowerment and confidence to have family discussions about money
Advocacy	Rating not possible as only one evaluation identified. Outcomes included knowledge and behaviours.					<ul style="list-style-type: none"> A national initiative aimed at increasing financial resilience (including financial capability) through collective cross-sectoral action has emerging evidence of increased sector collaboration, more awareness of financial inclusion and influencing organisations to act
Research	N/A					<ul style="list-style-type: none"> No evaluations of research projects identified in this review

Table 4: Outcomes identified in evaluations of financial capability initiatives in Australia

If you have accessibility requirements that make it difficult to read or understand this table, please contact consulting@socialventures.com.au for assistance.

4. Designing and implementing shared outcomes frameworks for financial capability programs

4.1 Purpose and context for shared outcomes frameworks

4.1.1 Definition and key features of shared outcomes frameworks

Shared outcomes measurement builds an understanding across a network of stakeholders of what should be measured, and how it should be measured. The ‘what to measure’ aspect of shared outcomes measurement typically offers a detailed framework that provides a common language to describe the chain of effects that contribute to the shared goal (financial capability in this case) and the indicators that define those effects. The ‘how to measure’ component provides tools and resources for organisations to use to measure their contribution to the outcomes identified in the shared outcomes framework.

The concept can be confusing, with many different terms having slightly different practical meanings. Definitions of some of the most well-known approaches are described in Table 5.

Shared outcomes
Short to long term outcomes around which all participants agree to align their efforts to achieve that impact
Shared measures
Measures or indicators that participants feel are important to track to assess the overall progress of their work
Shared measurement
A set of techniques or processes that require diverse organisations to employ the same techniques for gathering, analysing and reporting data.

Table 5: Definitions of shared outcomes, measures and measurement

The development and use of shared outcomes are an important way for multiple programs and organisations to understand their progress towards achieving a shared goal and work together more effectively to have a greater impact.

This is also important for funders. A failure to be clear about outcomes is a major barrier to effective capital allocation to achieve social impact. It is important for funders to be clear about the outcomes that funding is intending to achieve and be able to measure progress towards these outcomes. By doing so, when outcomes are not achieved, funding can be re-allocated to initiatives that are achieving outcomes.

Depending on the preferred approach to shared outcomes evaluation, the following factors have been identified as important to the successful implementation of shared outcomes projects:

- Adequate technical assistance, particularly in the start-up phase
- Peer-learning opportunities that are accessible and useful
- Provision of data collection and management tools
- Time, resources and sustained commitment from participating organisations
- Basic levels of data management and evaluation capacity
- Incentives for organisations, for example evaluation support and funding
- Employs multiple designs for multiple users
- Simple and 'roughly right' rather than perfect, especially on the first attempt⁴
- Adequate funding to launch and sustain evaluation efforts

4.1.2 Benefits and challenges of shared outcomes frameworks

Shared outcomes evaluation offers several positive benefits for organisations, funders, and the wider community, including:

- Improved program evaluation and improvement: Enhanced validity, improved program design through comparison with aggregated dataset and shared learning opportunities
- More efficient evaluation: Greater efficiency from use of shared measures, with each partner not needing to develop a measurement approach
- Improved funding approaches: Funders are better able to assess nature and scale of outcomes achieved and adjust funding approaches accordingly
- Systems change: More alignment of program strategies across the sector, and the development of collaborative strategies for system-level changes

Challenges that should be considered when designing and implementing shared outcomes evaluation include:

- Obtaining buy-in on shared measures: This can be addressed by collaborative development of shared measures and by including core measures in a common tool whilst allowing organisations to tailor evaluations by adding their own questions and tools
- Data collection time and effort (mainly relevant to shared measurement): This can be addressed by helping organisations to develop partnerships or support to integrated data collection into program delivery
- Data quality (mainly relevant to shared measurement): This can be addressed by providing data collection tools and processes, and a method for checking data quality
- Other organisational challenges such as organisational change, key staff turnover, program issues or financial challenges: These challenges can be addressed by funders providing flexible technical assistance, training and flexibility in achieving evaluation goals.

⁴ Cabaj, M. (2014). Evaluating collective impact: Five simple rules. *The Philanthropist*, 26(1).

4.2 Case studies of shared outcomes frameworks

4.2.1 Case studies of national shared outcomes frameworks in financial capability

Introduction

At least 14 jurisdictions have created a competency or outcomes framework for individual financial capability, and a comprehensive international framework has also been developed by the OECD/INFE⁵. Countries identified in an independent review conducted for the OEC are: Armenia; Czech Republic; Hong Kong; Ireland; India; Japan; Netherlands; New Zealand; Portugal; Singapore; South Africa; United Kingdom; United States; and the European Union.

The purposes for the development of these frameworks vary, from providing structure to learning frameworks, to informing monitoring and evaluation and raising general awareness about the importance of financial capability and wellbeing. The review found that the outcomes used across frameworks were broadly like those identified in section 3 of this review. The main differences were in the way that outcomes and competencies are grouped together and a notable absence of outcomes relating to external influences on financial capability⁶. Some approaches incorporate different tiers of progress in building financial capability (for example basic, intermediate, expert); recognition of vulnerability and/or the impact on life stages on financial capability; or additional frameworks for young people, businesses and other target cohorts.

To generate a deeper understanding of the way that outcomes frameworks have been developed and translated into shared outcomes evaluation, this review selected four case studies⁷. These case studies include three examples that provide tools and materials to support shared measurement of program effectiveness at the level of the individual program, and one example of a national outcomes framework that has not led to the development of a common evaluation tool.

Financial Capability Strategy for the UK

Overview

The United Kingdom's Financial Capability Strategy is a collective impact partnership addressing financial capability across the UK. The strategy launched in 2015 with a ten-year horizon.

Evidence and evaluation are identified as 'at the heart' of the strategy, which has adopted a collective approach to understanding the impact of programs. Key aspects include:

- A set of standardised outcomes frameworks and toolkits for evaluating financial capability projects and encouraging programs to use them to measure impact. This includes an evaluation toolkit, a suite of outcomes frameworks and indicator and question banks for different target cohorts, and theories of change for various types of interventions.
- Funding for the specific purpose of building evidence of program effectiveness through the 'What Works Fund', sharing and hosting this evidence in a central online hub, and undertaking a project to compile and compare the findings from 65 program evaluations to better understand which financial capability initiatives are working and why⁸.
- Steering groups for target cohorts and jurisdictions.
- A set of overarching principles for evidence and evaluation that organisations can be signatories to and become IMPACT champions, in return for a range of support including technical assistance.

Aims and objectives

The high-level goal of the strategy is to identify what works best and then scale up those initiatives to improve financial capability, giving people the ability and motivation to improve their financial situation and avoid

5 OECD (2016), G20/OECD INFE Core competencies framework on financial literacy for adults

6 OECD (2016), G20/OECD INFE Core competencies framework on financial literacy for adults

7 It is challenging to ascertain the extent to which all 15 countries have implemented their national monitoring and evaluation frameworks, as the documentation from many of the countries is not in English.

8 Personal Finance Research Centre, University of Bristol, Ipsos MORI (2018) What Works Fund: Evidence Analysis by Life Stage, prepared for the Money Advice Service

financial difficulty.

The evidence and evaluation activities aim to inform commissioning and grant making plans for the government, and to reinforce the importance of using evidence to improve current and future projects.

Process

The strategy was designed to be implemented over three stages that included (1) building awareness and engagement with the strategy and establishing a strong evidence base (2) evidence-based testing and learning, with a particular focus on systems-change (3) delivering initiatives at scale and influencing measurable improvements at a population-level.

To develop the outcomes frameworks and associated tools and resources, the Money Advice Service undertook: an extensive literature review, including academic papers, research reports and evaluation reports, and consultation with a significant number of sector experts and practitioners.

Experts in the field also had input into the design of the frameworks through three workshops, and the draft frameworks were refined through five expert interviews. The final document reviews the evidence of the link between each outcome and improved financial wellbeing, and outlines theories of change for each type of financial capability activity⁹.

Assessment

- A progress report published in 2017 identified progress in rolling out the Strategy – including the development and implementation of the evaluation components¹⁰. At that time, 100 organisations had been supported to use the toolkit resulting in better quality and more consistent evaluation of programs, and the revamped Evidence Hub contained over 300 studies from the UK and internationally.
- The Money Advice Service published an important piece of research that identified the behaviours that are most important in improving people's financial wellbeing and long-term financial security, and the most critical factors to influence behaviour change¹¹
- Research commissioned as part of the strategy had found new insights into the financial capability of young people, the benefit of financial education and the influence of parents, reinforcing the need to focus efforts on young people.
- The What Works Fund has awarded grants to 65 projects, each with a theory of change that links to the national outcomes framework and a rigorous evaluation, tripling the amount of UK-based evidence. In total, over 40,000 people participated in the What Works Fund, including 19 large-scale evaluations (with four randomised control trials)¹²
- The second round of the What Works Fund was able to fund projects specifically to fill identified evidence gaps that were not examined in the original fund, including building long-term resilience through debt advice, employee interventions and FinTech. In addition, the outcomes frameworks and question banks were updated in 2017 to incorporate new insights from piloting and cognitive testing and to reflect the Money Advice Service's research on the building blocks of financial capability.

Key lessons

- Developing separate outcomes frameworks for children and adults and separate theories of change for different types of interventions can ensure that outcomes and tools are user-friendly for practitioners that most likely work on targeted interventions.
- Ensuring that the frameworks and tools are continually reviewed and updated based on new knowledge and research can ensure that they remain useful and impactful over the course of their lifespan, particularly for strategies with long lifespans.
- Share evidence widely and be strategic in which organisations to engage, focusing particularly on stakeholders with wide reach across the population. Ensure evidence is simplified, easy-to-read and action-focused

9 Bagwell, S., Hestbaek, C., Harries, E., & Kail, A. (2014). Financial capability outcome frameworks. NPC

10 Money Advice Service (2017) Financial Capability Strategy for the UK: Two years on...

11 Money Advice Service (2018) Financial Capability in the UK: Results from the 2018 survey of adults: Technical Report

12 Personal Finance Research Centre, University of Bristol, Ipsos MORI (2018) What Works Fund: Evidence Analysis by Life Stage, prepared for the Money Advice Service

- Carefully craft key messages and develop strategies for driving engagement and awareness, including 'Calls to action'¹³
- Engaging with the private sector can be more challenging than with the non-profit sector, and can lead to a focus on engaging vulnerable cohorts rather than the wider population¹⁴.

Canada's Financial Literacy Strategy evaluation framework¹⁵

Overview

Canada's Financial Literacy Strategy sets out approaches for measuring the success of the strategy, including supporting the consistent evaluation of individual programs. Activities include:

- The Canadian Financial Capability Survey conducted every five years
- The development of a Standardised Financial Literacy Evaluation Framework, that sets out the steps required to execute an evaluation of a financial literacy program
- The development of a publicly available Evaluation Toolkit and an interactive website that provides guidance on hiring an evaluator, evaluation planning tools and program logic templates. More recently, an interactive online tool provides suggestions based on the evaluation context and can build survey instruments with questions drawn from 12 sources.

Aims and objectives

The free tool can benefit private, public and community-based organisations by:

- Providing a common set of evaluation metrics that can be used for any financial literacy initiative in Canada, making evaluation of financial literacy initiatives easier, more rigorous, and more likely
- Focusing funders and delivery organisations on shared, evidence-based outcomes and indicators
- Making it possible to compare the effectiveness of diverse financial literacy interventions to identify what works best and for whom, and laying a foundation for the future online collection and comparison of national outcomes data
- Leveraging existing research evidence to strengthen current and future programs.

Process

The framework is based on best practice in evaluation methodology and lessons from the Financial Consumer Agency of Canada (FCAC)'s own financial literacy resources and program evaluation. To develop the online evaluation tool, researchers studied existing tested questions and scales in the field of financial literacy and empowerment. They also performed a review of indicators to identify the highest quality questions, and consulted with experts, practitioners and stakeholders in the field.

Assessment

The interactive online tool was launched in 2017, yet no publicly available information about uptake or feedback from those using the tool was found in this review. The tool draws from 12 possible survey instruments to build common measures, including multiple options for single outcomes. This means that data across evaluations will only be directly comparable if both evaluations used the same instrument. A publicly available outcomes framework or monitoring and evaluation plan was not readily identifiable by this review, without which it may be difficult to know whether the program is achieving the broader aims of the project.

Key lessons

- There is value in selecting indicators and questions that are validated by strong evidence
- The absence of overarching frameworks and theories of change makes it difficult to understand the link between the tools, particularly for those with less training in evaluation
- The absence of a plan for reporting on the findings of the use of the tool makes it difficult to understand

¹³ Ipsos MORI (2019) The UK financial capability strategy stakeholder evaluation: Final Report

¹⁴ Money and Pensions Service (2019) The Financial Capability Strategy for the UK: three-year review of lessons learned and recommendations

¹⁵ Financial Consumer Agency of Canada (2018) Standardized Financial Literacy Evaluation Framework

how individual program evaluations will be used, and when results may be expected.

New Zealand's National Financial Capability Strategy¹⁶

Overview

The New Zealand Financial Capability Strategy sets out five key areas of focus with the overarching goal of 'everyone getting ahead financially', and a focus on 'driving sustainable behaviour change'.

The Strategy identifies key actions and targets, with benchmarks identified where available. In some cases, these indicators could be considered indicators of financial capability. The Strategy does not include consolidation of individual program evaluations.

Reporting on outputs and monitoring and evaluation metrics is undertaken annually via the Annual Report of the CFFC, however there is no stated link between the outcomes identified in the Strategy and the indicators measured in the Annual Report. A key component is the financial health barometer, that uses a financial health framework to better understand changes in the financial capability of New Zealanders at a national level. Website and social media engagement metrics are also used as a proxy for increased financial capability in performance reporting of financial capability outcomes.

Four key performance indicators are used to measure progress of the strategy to improve the financial capability of people in New Zealand, conducted at a national level.

Aims and objectives

Monitoring and evaluation of the national strategy primarily seeks to understand the success of the strategy in shifting national level indicators of financial capability, and to gain insights at a community level.

Process

The financial health barometer was built on responses from thousands of people which were refined to create the final survey. This was then implemented with over 17,000 New Zealanders to establish a base line. Over time, a dataset will be generated that will enable segmentation to provide insights for a range of topics and variables.

Assessment

- In reviewing the documents, it is difficult to see the direct connection between the outcomes identified in Strategy and the metrics reported in the CFFC Annual Report, aside from them both focusing on financial capability. Whilst it is likely that consideration has been given to linkages between the two, it was not evident in publicly available documents for this review.
- The material that is publicly available about performance and outcomes monitoring and evaluation does not indicate the existence of a shared outcomes framework, beyond the outcomes set out in the Strategy document. This review was not able to identify any evaluation tools, or a plan for using shared measures to evaluate program effectiveness at an individual program level.
- It is possible that organisations could use the survey questions used in the financial health barometer to measure the performance of their own programs against national averages, but a comprehensive review of individual program effectiveness in New Zealand was not possible as part of this review.
- While the CFFC website has a page designated for program evaluations, this does not yet include many examples. This is the only indicator available to gauge the potential impact of not having a strong focus on evaluation, however it is possible that there is a strong and growing evidence base in New Zealand that does not get uploaded to the national portal.
- The New Zealand Financial Capability Strategy sets target indicators and benchmarks to measure the success of many actions defined in the strategy, often using benchmarks from sources that are not ongoing. These are not always complete and there is no indication of how these may be monitored for the duration of the strategy.

¹⁶ Commission for Financial Capability (2015) National Strategy for Financial Capability, New Zealand

Key lessons

- This case study demonstrates the need for forward planning about which indicators are needed to measure the success of activities and outcomes and planning how these will be collected over the course of the strategy.
- This case study also demonstrates the value of understanding how measurement and evaluation activities are connected, by ensuring the outcomes, indicators, deliverables and targets are aligned where possible.
- This case study also highlights the value in providing explicit information to organisations about how their evaluation activities can align with a national framework – without easily accessible information the likelihood of this happening diminishes.

4.2.2 A shared outcomes framework for a group of financial capability initiatives

Financial Capability Demonstration Project - USA¹⁷

Overview

The Financial Capability Demonstration Project developed a set of common outcomes and indicators, supported by data collection tools and systems, to enable 30 non-profit organisations in 17 states to document outcomes of financial coaching services.

Aims and objectives

The project aimed to address gaps in outcomes measurement of financial capability projects, by moving beyond traditional performance-based evaluation approaches. The project also aimed to strengthen the evaluation capacity of practitioners and provide an approach to test theories of change, leading to the design and delivery of more effective interventions.

Process

A participatory process was used to develop the shared indicators, involving leaders in the financial coaching, financial education, asset building and asset preservation programs, and philanthropy.

A key feature of the process was testing and refining the evaluation framework, involving field tests and demonstration sites that led the final set of indicators and data collection tools.

Shared measures were developed, and a common survey instrument was used to measure changes in financial status and saving, debt and credit behaviours. Technical support was provided to organisations that selected at least one additional data collection tool to capture outcomes specific to the individual program and participated in 'convenings' (intended to provide training and facilitate peer exchange about evaluation and best practice program design and delivery).

Programs were required to collect data at least twice and offered the use of a data system to do so. Organisations used the information to guide program improvements, whilst the funder could assess outcomes across the 30 programs. Aggregated responses included increased credit score, savings, decreased debt, change in bank accounts and change in perceptions of ability to manage money.

Assessment

- This project quickly gained traction within the financial capability field, due in large part to the highly collaborative way in which the financial capability outcome indicators and tools were developed, tested, and shared
- Organisations learned new information about their clients, including data that challenged commonly held perceptions about their clients, and uncovered new financial issues facing clients
- Data was used by organisations to enhance service delivery
- There was significant growth in organisations' abilities to conduct outcome-focused evaluation and to make

17 Anders, J., Graddy, S., Grieve, M. & Visser, D. (2011) Measuring Outcomes of Financial Capability Programs: Success Measures Tools for Practitioners

more effective use of data¹⁸.

Key lessons

- Need to capture a blend of individual, household and family level outcomes given that financial wellbeing and asset-building are often shared goals
- Need to capture the impact of multiple/bundled services and programs, to understand the impact of ‘tailoring and layering’ services
- Enable organisations to choose a definition of ‘community’ appropriate to their work
- Capture the role of the informal economy and exchange, which are critical to low-income and underserved populations
- Be consistent in demographic and financial status measurements, such as age ranges, and income/wealth ranges
- Consider the need to tweak wording and questions to provide an ‘authentic voice’ that participants can relate to
- Uptake and usage of evaluation tools require organisational capacity and buy-in, which may be challenging particularly for non-profits with limited IT technology capacity.

4.2.3 Case studies of shared outcomes frameworks outside of financial capability

Introduction

Shared outcomes frameworks that function at the state or national level are being increasingly developed and implemented in many different contexts and for numerous purposes. Common reasons that governments develop shared outcomes frameworks include:

- To create a common language and common purpose for a range of stakeholders and to facilitate sector collaboration
- To support more effective outcomes reporting within government¹⁹
- To support outcomes reporting for organisations that are funded by government and/or deliver a range of services to people
- To provide a rigorous framework to support commissioning for outcomes
- To ultimately lead to better services that result in better outcomes for people, or even more broadly defined to ‘create a more successful country’²⁰.

To generate a deeper understanding of way that governments have developed and implemented shared outcomes frameworks, this review considers four case studies. These case studies include:

- Two examples of national outcomes frameworks that sit across a wide range of services
- A state-based human services outcome framework
- A unique approach that is used across many sectors and countries and can also be used by frontline practitioners to improve service delivery.

Common insights from the review include:

- The requirement for long-term and sustained commitment from the developing agency, including dedicated in-house resources and some form of centralised data collection
- The need for enthusiasm and commitment to revise and improve with new evidence
- The benefit of an education campaign for bureaucrats to shift culture within government
- The need to address the perception that shared outcomes measurement can add an additional administrative burden, and to ensure that the benefit and applicability is immediate and clear.

Scotland’s National Performance Framework

¹⁸ NeighbourWorks America (2013) Scaling Financial Coaching: Critical lessons and effective practices, prepared for CitiGroup

¹⁹ Department of Social Services (2018) Guide to measuring client outcomes, Australia

²⁰ See <https://nationalperformance.gov.scot/>

Overview

Created by the Scottish Government, the National Performance Framework is an outcomes-based performance framework for Scotland. First developed in 2007 and revised in 2011 and 2016, it is a single framework 'to which all public services in Scotland are aligned'²¹.

It consists of a core purpose and values, sixteen national outcomes, and 55 national indicators covering key areas of health, justice, environment, economy, and education.

The intended audience is broad, and covers national and state government, businesses, voluntary organisations, and the general populace of Scotland.

Aims and objectives

When it was announced in the Scottish Budget Spending Review 2007, the framework was described as 'a unified vision and quantifiable benchmarks against which future progress can be assessed'²². The purpose is now defined more broadly as to 'create a more successful country' as well as improve opportunities, increase wellbeing, create sustainable growth and reduce inequality.

Process

The Scottish Government initially commissioned a literature review on organisational performance management in 2007. This was then used to define the framework, which was created by the government in an internal process and was modelled on a framework used in Virginia in the United States. The revisions in 2011 and 2016 were driven by both political priorities and public consultation, but it was only in 2017 that a full public engagement was undertaken.

The implementation has been iterative, but the performance framework now sits at the heart of much of the work of Government. This involved seismic changes in the structure of government (including the removal of the concept of Departments) and a substantial education campaign for senior officials.

The Government has outcomes-based agreements with each of the local authorities in Scotland, as well as with all public bodies and all colleges and universities. Monitoring of progress against the framework is integrated into the duties and responsibilities of senior civil servants. It has now been embedded in legislation as part of the Community Empowerment (Scotland) Act 2015, securing the sustainability of the framework.²³

Assessment

Research indicates that, due to the introduction of the framework, a substantial majority of Scottish public organisations have adopted performance management systems. Prior to 2008 these systems did not exist.²⁴

The framework enjoys widespread adoption both within government and outside it. Within government, departments have created their own outcomes-based approaches, such as the Justice Outcomes, the Housing and Regeneration Outcomes Framework and the Active Scotland Outcomes Framework, which are all based on the National Performance Framework.

Outside of Government, it has been used by The Scottish Football Association, The John Muir Way, and the Scottish Futures Trust among others as the basis for reporting.

Key lessons

- Integrating 'partnership working' into the implementation of the Framework was key to its success – moving to outcomes means that the government and their partners share the risks of success or failure. This represented a significant cultural shift for government²⁵
- Long-term and demonstrated internal commitment to outcomes are important to partners coming on board

21 See <https://nationalperformance.gov.scot/>

22 Scottish Government (2007) Scottish Budget Spending Review 2007

23 Wallace, J. (2018) The National Performance Framework [blog post] Available at <https://spice-spotlight.scot/2018/04/16/guest-blog-the-national-performance-framework/>

24 Mackie, Bobby. (2018). The Scottish Government's System of Outcome-Based Performance Management: A Case Study of the National Performance Framework and Scotland Performs. 10.1007/978-3-319-57018-1_5.

25 Evans, L. (2018) Improving outcomes – Scotland's National Performance Framework, 10 years on [blog post] <https://civilservice.blog.gov.uk/2018/08/23/improving-outcomes-scotlands-national-performance-framework-10-years-on/>

- with the model
- Discussions with partners around what and how outcomes measurement is adopted can ensure consistent and relevant implementation
- Regular and transparent reporting against the stated outcomes can help build trust and demonstrate accountability.

NZ – Te Pou Matakana Commissioning Agency’s shared outcomes framework for whānau health/wellbeing

Overview

Whānau Ora Commissioning Agency (WOCA) works to support the aspirations of whānau (families) on the North Island of New Zealand. It does this by commissioning services, working with partners, and seeking co-design opportunities.

Underpinning all the work that WOCA does is a shared outcomes framework. This framework has seven domains including health, engagement with culture, and relationships. All commissioning and programs that WOCA undertakes are linked to outcomes within the framework.

Aims and objectives

The shared outcomes framework aims to benefit three main groups: Government, by giving them a common language and encouraging collaboration; community agencies, by helping them to measure and benchmark against others; and whānau, by improving access to services that improve their outcomes and helping to compare those services.

Process

Whānau Ora was made government policy in 2009, however early implementation was done solely within government and the Auditor General found poor usage of funds. In response, WOCA and two other commissioning agencies were established. This was also the point at which the outcomes framework was developed and socialised across central government departments.

Outcomes are used in commissioning services and directly measured to ensure program success. As an example, in 2017/18, ‘of the 12,079 planned outcomes, 5,575 (46%) of these outcomes were achieved within the annual reporting period.’²⁶ This is enabled by a data collection system used by program delivery partners. The framework and outcomes are being continually improved, with an in-house outcomes measurement workstream.

Assessment

According to a recent peer review, the outcomes framework has been successfully integrated into the workings of WOCA. Over a five-year period, they have invested significant resources in defining, measuring and understanding the outcomes of their work. The data collection is still reliant on self-reported outcomes.

Feedback from partners on the usefulness of the framework is mixed, according to a different review, with some saying that it is ‘easily understandable, easily measurable, but it also puts some accountability around our kaimahi as well’, while others said ‘it is like every other government framework; they are all pretty much the same usefulness.’²⁷

Partners also had concerns about the high administrative burden imposed by the funder, though it is uncertain how much of this was driven by the need to measure outcomes.

Key lessons

- Outcomes frameworks have the potential to refocus program delivery on the needs of the target group, especially if they are deeply embedded in the way of working of the organisation

26 SVA Consulting, “A different way of working: Whānau Ora Commissioning Agency (WOCA) Peer Review”, 2019

27 Boulton, A., Gifford, H., Allport, T., & White, H. (2018). Delivering on diversity: The challenges of commissioning for Whānau Ora. *Journal of Indigenous Wellbeing*, 3(1), 45-56.

- A central data collection portal enables holistic reporting of outcomes
- Care needs to be taken with the administrative requirements of reporting to outcomes – partners need to feel that it is valuable to them and their understanding of their work, rather than imposed on them
- Having a framework that is not only easily understandable but where programs can see key applicability to their own programs is essential.

NSW Government – Human Services Outcomes Framework

Overview

The NSW Human Services Outcomes Framework was developed within the NSW Government. It articulates the outcomes that the NSW Government wants to achieve through the human services it delivers and funds.

There are seven wellbeing domains for the NSW population: safety, home, economic, health, education and skills, social and community, and empowerment. The framework also includes key outcomes for each domain as well as primary indicators for these outcomes, though these are linked to the NSW Premier's and State priorities and thus may change over time.

Aims and objectives

The framework has six objectives, predominantly to support the implementation of an outcomes-focused approach and measurement as well as fostering innovation and collaboration.

Process

The development of the Human Services Outcomes Framework was led by the Social Innovation Council and co-designed by agencies and NGOs. The development was led by FACSIAR, then iterated on by the members of the Social Innovation Council (including the Departments of Education and Health as well as peak bodies such as NCOSS and FAMS). It was informed by a review of Australian and international research into outcomes, though due to the nature of its development it also had to speak to the Premier's Priorities.

Of the NSW Government agencies, the Department of Family and Community Services (FACS) was the most heavily involved, and the framework was informed by the FACS outcomes model²⁸. FACS have subsequently developed a social housing framework and a homelessness framework based on the same domains.

As part of the implementation of the framework a library of primary indicators was created that maps which indicators could be used against the outcomes, though it is not mandatory or exhaustive.

Assessment

The framework has been primarily implemented within FACS, with limited obvious traction within other agencies or organisations. Reporting against the Framework is not yet mandatory for most agencies delivering human services, though it is connected directly to budgetary reforms tying budget allocations to outcomes. The embedding of outcomes into service contracts for housing is currently underway.

A survey conducted by the Centre for Social Impact (CSI) indicated that of community service organisations, only 19 per cent in 2018 and 32.6 per cent in 2019 were familiar with the NSW Human Services Outcomes Framework.²⁹

Key lessons

- Good implementation is essential to the success of a framework being used outside its originating agency. Even though the Human Services Outcomes Framework will soon be used for commissioning many organisations are not aware of its existence.
- Organisations need to see the immediate usefulness of a framework for it to have widespread uptake.

28 FACS Analysis and Research (2016) Measuring Social Housing Outcomes: Desktop review of evidence, prepared for the NSW Department of Family and Community Services

29 Callis, Z., Seiwright, A., & Flatau, P. (2019). Outcomes Measurement in the Australian Community Sector: A National Report Card. Bankwest Foundation Social Impact Series, (10), 3-3.

United Kingdom – Triangle’s Outcomes Star

Overview

Triangle launched the first version of the Outcomes Star for homelessness services in 2006, and there are now 20 stars focusing on 20 other sectors that are used by many organisations across a wide range of sectors. Several organisations use the Outcomes Star in Australia, including the Department of Human Services, the Salvation Army and the Red Cross.

The Outcomes Star consists of a number of scales arranged in the shape of a star, where progress in behaviour and attitudes can be mapped over time. The behaviour and attitudes expected at each point on each scale are clear and the scales are constructed around a model of change which defines the end goal and steps along the way.

The Outcomes Stars are copyright protected in order to preserve the integrity of the tools and support sector-wide measurement and data sharing. This means it is not possible for others to use the Outcomes Star name, graphics or scale wording in other tools.

Aims and objectives

The Outcomes Star has a dual purpose: (1) to support effective service delivery and (2) to measure change in client outcomes and provide a shared language for performance managers and evaluators, and those delivering the work on the ground.

Process

The Outcomes Star is developed through an iterative process of consultation, development and testing. The process of developing an Outcomes Star is usually very similar and involves:

- Deciding on the areas of focus (what are people seeking to change)
- Gathering raw data from end users and workers to understand the subjective view of the change process from a personal perspective
- Analysing the data, considering existing frameworks but focusing on the experiences of people
- Presenting findings for feedback and testing, including a four to six-month pilot.

Assessment

- Several research projects that have tested the usefulness and validity of the Outcomes Star have found that it performs well as an outcomes measure, and that it can be used to provide valuable insights into the extent and nature of changes, and as an indicator of interim progress during an intervention
- The way that the Outcomes Star can be integrated into service delivery enables workers and clients to gain a shared perspective and allows outcomes measurement to become an integral part of working with clients, rather than an additional task
- There are examples of the Outcomes Star being used in a payment-by-results context. In some cases, this is as part of the payment formula, and in some cases it is being used by the service provider to measure and manage progress towards end outcomes for which payments will be made

Key lessons

- It is possible to create outcomes frameworks that can integrate well into the day-to-day work of frontline workers and have a direct contribution to improving client engagement in services and ongoing client outcomes. It is unclear whether Outcomes Stars have been used solely for evaluation purposes, rather than being a tool that is primarily used for service delivery that can provide quality data for outcomes evaluation
- Validation of outcomes frameworks is an iterative process that involves rigorous research, user testing and refinement.

5. Informing the next steps in development of the Framework

5.1 Key findings to inform the content and implementation of the Framework

Key findings from this review have informed the development of the Framework. They include:

- **Create different outcomes for different cohorts.** It may be valuable to develop multiple outcomes frameworks for different target cohorts and/or theories of change for different types of financial capability initiatives.
- **Acknowledge external influences that are relevant to the National Financial Capability Strategy.** As the financial wellbeing framework described in section 3 demonstrates, financial capability is not only a function of financial knowledge, skills and behaviour but is also influenced by external factors (financial inclusion, social connections and economic resources). It will be important to decide which of these external factors are considered within scope for the National Financial Capability Strategy and the associated initiatives, and which are not.
- **Consider future initiatives that are not yet taking place.** This report focuses on what has happened until now in the financial capability sector and has not considered future initiatives that may be developed over the coming decade. Considering how future developments may be included will be important to ensure the effectiveness of the framework.
- **Be clear about the level of detail required.** Consider whether the project will go to the level of creating survey question banks for organisations to use (with the associated ongoing level of investment in a backbone organisation), or whether the preferred approach be more flexible for organisations
- **Be mindful of incorporating appropriate evaluation approaches and tools.** Align with guides for Indigenous evaluation³⁰, and recommend data collection methodologies that do not negatively impact the relationship between the client and service³¹.
- **Define the level of alignment needed with existing frameworks.** Consider outcomes measures used by other government departments and incorporate into framework planning (e.g. Department of Social Services, Department of Agriculture and Australian Tax Office)
- **Map the link between outcomes and evidence.** This report provides a review of the outcomes and indicators identified in existing evaluations. It does not attempt to review academic research about the components of financial capability that are most important to financial wellbeing. To ensure that the final framework/s created in this project are evidence-based and incorporate recent insights in behavioural economics, the project team could undertake a mapping exercise that uses information from both literature reviews to consolidate the evidence for the outcomes selected in the final framework. This will also highlight where there are gaps in evidence, which can then become a research priority.

Key findings from this review that can inform how the framework is implemented are:

- **Work closely with partners.** Effective discussions with partners around how outcomes measurement is adopted can ensure consistent implementation and refine the process. Positive and effective stakeholder engagement is critical to successful shared outcomes projects, to ensure the frameworks and tools that are produced are meaningful to those that will use them. This maximises the likelihood of them being implemented.
- **Ensure there is strong internal commitment to shared outcomes.** Long-term and demonstrated internal commitment to outcomes are important to partners coming on board with the model. Internal education campaigns to shift culture within government can be effective.

30 Productivity Commission (2019) Indigenous Evaluation Strategy Issues Paper

31 Daniels, C., Buli, E., Davis, A., O'Mally, J., & Pasco, B. (2019). Yarnin' Money report 2019. Cairns, Indigenous Consumer Assistance Network Ltd

- **Test and iterate the framework over time.** Ongoing assessment of framework through feedback from partner organisations will be important to ensuring the framework evolves over time. It may be valuable to set an iteration/review plan in place from the outset to ensure this happens over the 10-year span of the strategy.
- **Provide easy-to-use practitioner information and guidelines.** ASIC should publish clear guidance to organisations on how they can use the framework, why it will be useful, and the direct benefit to them. Over time, it can consider adding further information, such as evidence of how each outcome and/or indicator is linked to financial wellbeing.
- **Be transparent about data and timelines.** Lack of publicly available information about when and how individual program evaluations will be used, and when that information may be available, may act as a disincentive for organisations to participate. Thought should be given to identify how performance will be reported against output and outcome indicators and/or targets, and any other reports that will stem from the use of common data measures.
- **Articulate the incentives for organisations during framework development and beyond.** Careful consideration should be given as to the incentives for people and organisations to participate in the use of shared outcomes. This could include being very explicit about what organisations will gain from this, including providing resources that are user-friendly relevant to workers providing frontline services, as well as potential consideration for funding and other financial incentives.

5.2 Conclusion

This report has reviewed relevant literature and international examples that provide valuable insights to inform the development of an innovative shared outcomes framework for Australia's National Financial Capability Strategy.

It has highlighted the burgeoning evidence base for financial capability initiatives in Australia and explored gaps and weaknesses that can be addressed through a national shared outcomes framework. Lessons from eight case studies of real-life shared outcomes frameworks can inform both the development and ongoing implementation of this project, and ensure the final framework is truly 'shared' across the many organisations working passionately for better financial outcomes for people in Australia.

The findings of this report have informed the development of the Framework so that it can be user-friendly, forward-thinking, and uniquely suited to the Australian context.

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* The use of an asterisk indicates that reference was one of the evaluations identified in this review

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