Evaluating the Budget Planner online tool

Prepared for

Money Advice Service

May 2018

WINNING MOVES

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Background

The Money Advice Service (MAS) is an independent service, set up by government, to help people make the most of their money. They provide free, unbiased money advice to help people across the UK make informed choices. The Service is paid for by a statutory levy on the financial services industry, raised through the Financial Services Authority. Their statutory objectives are to 'enhance the understanding and knowledge of members of the public about financial matters (including the UK financial system), and to enhance the ability of members of the public to manage their own financial affairs'.

One way in which they currently fulfil their statutory functions is through providing information and tools via their website. One such tool is the online Budget Planner. This tool allows users to enter their income and expenditure providing a snapshot of the balance between these items, including a breakdown of how much they are spending on common items such as household bills. Users are then provided with an overview of their finances and are directed to tips and advice for either a surplus or deficit budget. Between April 2017 – March 2018, the Budget Planner was started by 323,000 customers, and 63% of those who started using the tool went on to complete it.

Evaluation objectives

The main objective of this evaluation was to understand how and why financial capability outcomes are improved (or not) through use of the Budget Planner, and how outcomes for users of this tool could be further improved.

This included exploring whether specific triggers might lead people to use online tools, and whether there are specific outcomes that are most likely to emerge following use of the Budget Planner. This evaluation was also a 'test case' for MAS who wanted to explore how they could apply the principles and tools contained within the Financial Capability Evaluation Toolkit (fincap.org.uk/evaluation-toolkit) to an evaluation of their digital content.

Winning Moves was commissioned to design and deliver the evaluation. The work was conducted between September 2017 and May 2018, with fieldwork being carried out between November 2017 and February 2018. Our design deployed a theory-based evaluation approach, with a Theory of Change retrospectively developed for the tool. This was informed by MAS stakeholders and a review of the available literature.

There were then two key components to the approach:

1) Conducting qualitative interviews to explore how people use the Budget Planner and what outcomes they experience. Participants were recruited from a panel and instructed to use the Budget Planner. They were interviewed soon after using the Budget Planner and then again approximately three months later to discuss any changes they had made as a result of using the Budget Planner.

2) Analysing routinely captured MAS data to understand if it could yield useful insights to inform the evaluation.

Evaluation findings

- The evaluation found that using the Budget Planner can help people, in certain circumstances, to make some significant changes to rebalance their income and expenditure.

- There was some indication that participants who had made changes to their spending, having used the Budget Planner, were starting to feel the benefit of those changes (i.e. feeling they had more money in their pocket) three months after use.

- Some participants who had noticed having more money available to them were beginning to save and a couple had achieved very short-term savings goals across the research period.

- Participants who started to notice having more money available to them said they felt more motivated and empowered to trial other behaviours or set more ambitious savings targets. Experiencing associated emotional rewards (e.g. planning to visit family overseas, when this had previously been considered unaffordable) also increased their motivation to maintain behaviours that allowed them to stick to their budget.

- In line with findings from the literature review, there was evidence that using the Budget Planner to monitor spending is typically a short term behaviour – very few participants had reviewed or updated their Budget Planner output when interviewed three months later.

- However, within the Theory of Change, we theorised that medium- to long-term outcomes (e.g. behaviour change and improved financial wellbeing) could arise from short-term use of the Budget Planner. Although we were not able to fully evidence this within the timescales for the research, we found some examples to support this e.g. recruited users continued to report financially capable behaviours three months after using the Budget Planner (such as reducing their spending, shopping around and managing their credit use) and felt that they had more money in their pocket as a result, despite only having used the Planner at the start of the research period.

- Whether users made changes to the way they manage their finances following use of the Budget Planner appeared to depend on the interplay between three factors:
  - Their underlying 'need' to budget – the need to change something with respect to their current or ongoing financial situation e.g. whether they had an outstanding bill they needed to pay, were saving towards something or just generally thought they should have more money left at the end of the month;
  - Whether they completed the tool accurately and comprehensively; for example, completing all sections using information taken from paperwork / statements rather than estimating spending from memory;
  - How they 'reacted' to the output (the results page) of the Budget Planner, for example, whether they recognised opportunities to make cutbacks and whether they felt empowered to make these changes, rather than feeling 'defeated'.

- In looking at the data that users have entered when completing the Budget Planner[1] and Google Analytics data, we observed the following:
  - The demographic analysis suggested that the income profile of users was similar to the UK population.

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[1] This data is only available for users who have registered on MAS' website

- Half of visitors to the tool came from within the MAS site itself. The top three pages that generate traffic for the Budget Planner are the MAS home page, the savings calculator and the beginners guide to managing your money. A third of visitors are navigating to the Budget Planner via Google searches.
- The MAS Budget Planner features prominently in searches for the term 'budget planner'. If people use more general terms e.g. 'how to write a budget', results appear to be less prominent
- When users arrive at the Budget Planner, approximately a third of visitors exit from the entry page. The remaining two-thirds proceed through the tool with drop off reducing substantially on completion of each subsequent page.
- As far as we are able to comment, registered user data is both comprehensive and quality is largely good. For example, most users enter data into the most commonly used fields and users appear to be entering exact figures rather than rounding things to the nearest whole number.

Insight for developing the Budget Planner

In order to increase the use and effectiveness of the Budget Planner, we recommend that MAS could:

- Highlight the benefits of budgeting, in terms of helping people achieve goals and become more in control of their finances.
- Examine Search Engine Optimisation to enable more users to find the Budget Planner when using a wider range of search terms e.g. help with budgeting.
- Ensure that users understand the benefits of completing the tool and are not discouraged based on the page they are presented with.
- Do more to maximise the ease with which users can complete the Budget Planner and ensure that they understand the instructions and what information should be entered in each specific page.
- Ensure that users fully understand:
  - What they can do to improve their financial situation when they see their results
  - That whatever the results show (a surplus or a deficit), there are always next steps and potential actions that can be taken to help improve their situation
- Links to further advice and support should be tailored and more visible.

MAS should also consider collecting some basic information on users' personal circumstance as this could both improve users' experience and support better use of customer data for research and evaluation purposes. Currently, Budget Planner users are not required to provide any information about their household composition and therefore Budget Planner fields are not tailored to their circumstance. From the user perspective, this does not deliver the best experience as they are asked to complete fields that are not relevant to them. From MAS' perspective, this results in ambiguous data that are difficult to interpret – for example, there is little that can be inferred from income data as joint income can not be distinguished from individual income.

1. Background

In this report we set out the findings from an evaluation of the Money Advice Service online Budget Planner. We give an account of how the Budget Planner contributes to financial capability outcomes, drawing on learnings from a qualitative study and analysis of customer data and Google Analytics.

1.1 Introduction

The Money Advice Service is an independent service, set up by government and paid for by a statutory levy on the financial services industry, raised through the Financial Services Authority. They give free, unbiased money advice to help people across the UK make the most of their money. Their statutory objectives are to 'enhance the understanding and knowledge of members of the public about financial matters (including the UK financial system), and to enhance the ability of members of the public to manage their own financial affairs'.

One way that they currently fulfil their statutory functions is through providing free information and tools via their website. Online services include advice and guides to help individuals improve their finances, and tools and calculators to help people keep track of their finances and plan ahead. The tools provide targeted guidance (often as a set of actions to take) based on the information the customer provides about their financial circumstance.

One such tool is the Budget Planner[2]. Once the user has entered the amounts they spend in different categories, the Budget Planner calculates whether the user has a surplus or deficit budget based on their entered income and expenditure. Users are then provided with a breakdown of their finances and are directed to tips and advice for either a surplus or deficit budget. Between April 2017 – March 2018, the Budget Planner was started by 323k customers and completed 205k times. The tool has a completion rate of 63% and is completed by around 3% of all visitors to the MAS website.

1.2 Evaluation objectives

The main objective of this evaluation was to understand how and why financial capability outcomes are improved (or not) through use of the Budget Planner, and how outcomes for users of this tool could be further improved.

MAS wanted to use the Budget Planner evaluation as a test case to understand how to effectively evaluate its wider digital content. Whilst MAS carries out user testing to design and develop digital tools, this was the first time that MAS had sought to evaluate digital services using the steps set out in their evaluation toolkit[3] (including developing a Theory of Change and measuring financial capability outcomes).

As well as evaluating the outcomes that users of the Budget Planner experience, through this research we also explored whether data captured by MAS for other purposes (e.g. Google Analytics data and the data customers enter into the Budget Planner) could be used to inform an outcomes evaluation.

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[2] www.moneyadviceservice.org.uk/en/tools/budget-planner
[3] www.fincap.org.uk/evaluation-toolkit

At the outset of the project, MAS wanted to explore user journeys from the Christmas Money Planner to the Budget Planner[4]. They hypothesised that customers will engage more with their universal content (like the Budget Planner) when they are signposted to it from tools and partner websites that are context-specific (i.e. tools that are highly, and exclusively, relevant to certain types of people or situations). The Christmas Money Planner[5] is an example of such a tool. Early in the research, we identified that the number of users going from one tool to the other was very low. Consequently, we decided to focus less on this journey during data capture and reporting.

1.3 Overall methodology

The methodology design included a retrospective theory-based approach; that is, a Theory of Change[6] was developed for the Budget Planner based on a rapid review of available literature and discussion with the MAS team. The Theory of Change informed an evaluation framework which set out what we wanted to test and explore through a programme of primary and secondary research.

The key elements of the methodology and timings are shown below.

Figure 1: Methodology overview, with timings

	2017			2018				
	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY
Preparing for evaluation	Develop ToC		Revise ToC					
Secondary research	Literature review			Analysis of BP customer data and google analytics				
Primary research		32 recruited user depth interviews (wave 1)			24 recruited user depth interviews (wave 2)	5 non-recruited user depth interviews		
				Pop-up survey				
Analysis and reporting					Analysis of evidence (including contribution analysis)			
						Developing the evaluation report		

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[4] Fieldwork took place around Christmas 2018, meaning it made sense to explore the Christmas money planner as a 'feeder' tool (a tool which generates traffic to the budget planner) in response to the timing of this research.

[5] The Christmas Money Planner helps users to calculate the total amount they are likely to spend at Christmas, including any expenses they may not think about (such as nights out and travel costs when visiting relatives). www.moneyadviceservice.org.uk/en/tools/christmas-money-planner

[6] http://www.theoryofchange.org/what-is-theory-of-change/

Details of the methods for the secondary and primary research are in the corresponding sections of this report. A full technical methodology is provided in the appendix.

Secondary and primary research data were brought together for analysis in a synthesis framework. The framework set out the findings related to each of the areas we wanted to test and explore through the research. This informed an assessment of the validity of the initial Theory of Change and subsequent revisions to it.

We conducted a contribution analysis to understand the part the Budget Planner plays in supporting financial capability outcomes[7].

All research was conducted in line with the Market Research Society Code of Conduct, and in accordance with standards set out in ISO 20252, the international quality standard for conducting social and market research.

1.4 Report Structure

This report is structured as follows:

- **Section 2** sets out the context; what was known about the use of online budget planners at the outset of the evaluation and what was known about the MAS Budget Planner.

- **Section 3** details our findings from analysis of customer data and Google Analytics in relation to how people are using the MAS Budget Planner.

- **Section 4** details our findings from the qualitative research.

- **Section 5** sets out the conclusions from this evaluation.

Recommendations in relation to how the Budget Planner could be improved have been included where applicable in sections 3 and 4.

This report is provided in third draft format for review and comment by MAS

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[7] Details of the approach to this analysis are included in appendix section 6.2

2. Context

In the early stages of the evaluation we drafted a Theory of Change which encapsulated our understanding of how the Budget Planner is intended to work and the assumptions which lie behind this. We then designed the research to test and explore the thinking as set out in the Theory of Change.

Initial theory building was informed by:

1) A rapid review of literature[8] to understand (as far as the evidence was available):
   o Is there any evidence on why people use budget planners and what are they hoping to get out of it?
   o Are there any theories, behavioural economics or other, that suggest why budget planners <u>might</u> help improve certain outcomes?
   o Is there any evidence that budget planners do improve outcomes?

   This included a review of the Financial Capability Frameworks[9] presented in the Financial Capability Strategy for the UK, which articulate the outcome areas that expert opinion and evidence suggests are the core components of financial capability.

2) Discussion with a cross-section of staff at MAS which primarily comprised of a half day workshop.

What we knew about budgeting at the start of the evaluation

We knew that as well as MAS, other online information/advice providers hosted online tools which could include tools for budgeting. However, the existing evidence in relation to the effectiveness of budget planners, particularly online tools, was limited. In particular, there is a lack of causative evidence to demonstrate any *impact* of the use of a budget planner on behaviour or outcomes.

Nonetheless, there is existing evidence to suggest that budgeting tools might affect the ability of the user in terms of their overall money management. Research suggests that use of a budgeting tool can engender a greater awareness of their financial situation, which impacts on the users' ability to manage their household finances (Ulster bank 2014, Montrose and Tynan 2017). It may also increase the users' *confidence* in money management, in particular that they feel more in control of their money subsequent to use of a budgeting planner (Antonides et al 2011, Ipsos Mori 2014, Lurhmann et al 2012). Although these changes are self-reported, they were relatively consistent.

In terms of changing financial outcomes, research found that those who had taken part in a budgeting intervention had higher levels of savings, but no evidence that this was causative. The follow-up data to the budgeting tool trial found that, for some, it appeared to have had a small effect on financial behaviour, with a modest reduction in over spending, and a similarly modest increase in saving (Montrose and Tynan, 2017).

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[8] We reviewed 22 documents. A bibliography is included in appendix section 6.3
[9] https://www.fincap.org.uk/outcomes_adults

The evidence also highlighted several factors that may influence how a budget planner is used. The financial position of the user may affect how they interact with budgeting tools, with mixed findings:

- Kempson, Finney and Poppe, 2017 suggest that people who tracked their finance may be under financial pressure, see also Antonides et al (2011)

- The Consumer Finance Protection Bureau (2017) found that uncertainty over spending or income was a barrier to using a budgeting tool

- Montrose and Tynan (2017) also found that those who already felt in control of their finances reported no impact from using a budget planner.

How information relating to income and expenditure is delivered matters (Consumer Finance Protection Bureau, 2017). Use of an app in this study highlighted for users how much money they were spending, particularly on non-essential items. Real-time feedback kept users aware of their current financial situation and therefore they knew they had enough money to make a purchase before doing so.[10] Conversely, Montrose and Tynan (2017) found that those who used a paper and pen budgeting tool reported greater improvement in managing their money than those who had used an online tool, which they attributed to the *action* of writing the budget[11].

Finally, the strongest evidence suggested that budget planners are most effective when used in the short term, not specified by a timescale, but in terms of achieving a specific goal or for the time it took to get finances back on track (Montrose and Tynan 2017, Ipsos Mori 2014). Further evidence from Montrose and Tynan (2017), established that very few were still using a budget planner one year after a three-month budget tool trial.

What we knew about the MAS Budget Planner at the start of the evaluation

MAS currently captures a wide variety of data to understand reach and user experience including web analytics, the data customers input into tools and user testing when tools are being developed or improved. However, very little is done to understand engagement and impact, beyond users' exposure to relevant information.

Whilst MAS knows what information users are accessing, and in some cases whether they seek any further information online immediately after visiting its site, MAS does not know whether users take any recommended actions or whether their financial situation improves as a result.

MAS also cannot say whether the financial capability of users has improved i.e. whether its content has any further effect on users' ability, mindset or behaviours.

What the research was designed to test and explore

In meeting the main objective of the evaluation (to understand how and why financial capability outcomes are improved (or not) through use of the Budget Planner, and how outcomes for users of this tool could be further improved), the research was designed to test and explore the following. This reflected on what we knew about budgeting at the outset of the research, what was known about the Budget Planner, and questions arising through the development of the Theory of Change.

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[10] Not all digital budgeting tools/apps provide real-time feedback in this way
[11] Pen and paper users were self-selecting and tended to be older and therefore they may have had different attitudes to budgeting than other research participants.

- **Reasons for using the Budget Planner. What are the reasons for using the** Budget Planner and what factors are more, or less, likely to encourage engagement with the Budget Planner?

- **Range of financial capability outcomes.** The range of financial capability outcomes which the Budget Planner might affect. Due to the dearth of information in existing literature around what outcomes we should expect online guidance and tools to contribute to, the research was designed to test a broad range of outcomes. The research was also designed to explore for whom, how and why the Budget Planner could lead to improvements in financial capability.

- **Role of the Budget Planner and how and why it works.** The way in which the Budget Planner delivers information and the role that users' reactions to their results plays in whether, how and why the Budget Planner could lead to improvements in financial capability.

- **Presence of longer-term outcomes.** Any evidence of longer term outcomes for users of the Budget Planner. Due to the envisaged timescales for the work, there is no intention to measure the longer-term outcomes of using the Budget Planner. It would take longer than the planned timeframe to see any real sustained changes, but we did want to see if there was any indication that things were improving for users.

- **Ongoing budgeting behaviour.** Whether users continue budgeting through the Budget Planner or otherwise following use of the Budget Planner.

3. Insights from customer data and web analytics

Key learning: Half of Budget Planner users come from elsewhere within the MAS website. Around a third of visitors to the Budget Planner drop out immediately, however this tails off dramatically once they start entering data. For those who complete the tool, the accuracy of the data they enter appears to be high. Neither the Christmas Money Planner nor MAS blogs and social media activity were significant sources of traffic to the Budget Planner during the research period.

In this section we describe what our analysis of customer data and Google Analytics told us about:

- The profile Budget Planner users

- Routes to the Budget Planner, and what this tells us about their budgeting need

- How customers use and complete the Budget Planner, where they go from the Budget Planner and what that tells us about their level of engagement

3.1 Introduction and methodology

MAS currently captures a wide variety of data to understand reach and user experience including web analytics, data customers input into tools and user testing when tools are being developed or improved.

For those visitors who register their details with MAS **(registered users[12])**, MAS stores the data submitted during their most recent visit to the Budget Planner, data from the previous visits is overwritten each time a registered user revises their Budget. The data that is stored includes each individual income or spend variable for which there exists a field in the tool, along with how frequently the item occurs (whether weekly, monthly or annually). As of October 2017, the referral pathway which led users to the tool is also recorded and saved. MAS also stores work-in-progress versions of Budget Planner entries within a separate database[13].

As an additional data source to the registered user data described above, MAS is also able to extract Google Analytics in relation to the behaviour of site visitors[14]. This includes where users of the website (and the Budget Planner specifically) drop-off, where users come from, where they go next from the Budget Planner results page, and how long visitors spend on specific pages.

It is important to note that the registered user data captured by MAS, and capture and storage processes, were not designed with the primary goal of being able to use data for research and evaluation purposes. For example, at present, visitors to the tool are not asked whether they are completing as an individual or in a household capacity, and this limits the extent to which we could analyse user data to understand the types of people who were using the Budget Planner.

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[12] Those who have created an account with MAS and are signed in to their account. Around 7% of those who complete the Budget Planner go on to register and save their results.
[13] The data within this additional database was not analysed within this research exercise.
[14] It is not currently possible for customer data and Google Analytics data to be linked

Within this evaluation, MAS wanted to explore how data entered by registered users and Google Analytics data could be used for research and evaluation purposes. In doing so it is acknowledged that registered user data stored by MAS represents only a small sample of customers (only 7% of Budget Planner users for example) and therefore is unlikely to be representative of all customers.

This analysis featured examination of the registered user data and the Google Analytics data separately, though some research areas were explored using data from both.

Table 1: Details of approach for analysing registered user data and Google Analytics data

	Registered user data	Google Analytics data
Time period examined	📅 October – December 2017	
No. of cases	Data for **50,792** user visits	**723,423** page views
Cleaning method	*Data were removed where:* - Rows contained no values - Users had entered only one of income or expenditure - Users had entered unrealistic values	Not applicable; data were provided in pre-compiled reports.
Analysis conducted	- Analysis of the extent to which values were provided by the user - Analysis of distribution of empty fields - Gap analysis of completed and empty fields - Checking income against fields that could/should have been completed - Evidence of repeat visits - Analysis of likely erroneous results - Users inputting information within custom fields where a field already existed - Analysis of likely accuracy of numeric data e.g. whether exact or rounded figures appear to have been entered, and what we might expect to see for specific items where fixed costs are to the nearest £0.01 (such as TV licence) - Referral pathways	- Search terms used to find the Budget Planner - Analysis of days and times that visits to the Budget Planner occur - Drop off during completion of the tool - Referral pathways to the tool - Pages visited by users before and after the Budget Planner - Whether users visited the tool in response to social media activities - Length of time users stay on the results page - Whether users accessing the Christmas Money Planner follow links to the Budget Planner
Analysis tools	MS Excel, SPSS and MATLAB	MS Excel
Any limitations	- Unable to determine the capacity in which users completed the tool (as an individual or household), or household composition	- Only able to explore whether visitors came from a site suggesting a budgeting need at high level, and can't be clear on users' motivations for visiting the Budget Planner

3.2 Profile of Budget Planner users

Table 2 shows what we can infer about the profile of registered users based on how frequently specific fields within the Budget Planner are completed.   This is based on the proportion of completed entries to the Budget Planner, by registered users, for which there is data entered in a relevant field (e.g. for income, the proportion of entries for which there is data entered in the field for income from employment / self-employment or for expenditure, the proportion of entries for which there is data entered in one or more of the fields related to childcare costs). This is compared to national level data taken from MAS Market Segmentation.

Table 2: Profile of registered Budget Planner users compared to UK population[15]

Category	Sub-category	Registered user's data	UK population data (MAS data)
Income	Employment / self-employment	85%	58%
	Receiving pension	8%	14%
Expenditure	Mortgage payments	39%	32%
	Renting	48%	31%
	Children	47%	25%
	Cars / motoring	68%	79% (ONS data)

This table shows that, based on the sample of users who registered (7% of all users), a higher proportion of Budget Planner users appear to be in employment compared to the UK population, The population of Budget Planner users is dissimilar to the UK population, particularly in terms of the number in employment, receiving pensions and with children.By examining the levels of income cited within completed responses, and whether specific income and spend items were complete (e.g. relating to children, motoring), the data shows that the income (pay after tax) profile of cases shows the same shape/distribution as income within the wider UK population, and that the average income of Budget Planner users (£26.4k) is approximately the same as for the UK population (£26.7k). So, if all Budget Planner responses were known to be from individuals then these figures are very similar. However, it isn't possible to know the proportion of cases arising from households; comparing £26.4k to the average UK Household income of £32.2k shows a more marked difference.

3.3 Routes to the Budget Planner

Examining the registered user data shows us that 50% of visitors to the Budget Planner come from another location within the MAS site. Some of this traffic comes from within the Budget Planner tool itself e.g. those who go back to the start page after partially progressing through the tool. From examination of the Google Analytics data we can see that these represent approximately 5.6% of visitors. We can therefore infer the other 44.4% of visitors accessing the Budget Planner come from

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[15] Money Advice Service - Market_Segmentation_-_Segment_Infographics_-_Revised_February_2018.pdf

other pages within the MAS website. Significant traffic (presented in order of occurrence) is generated from:

1) The MAS home page (8,263 views before the user arrived at the budget planner)

2) The savings calculator (4,668 views)

3) Beginners guide to managing your money (3,941 views)

4) How does your household food spend compare? (1,668 views)

5) How to save money (1,660 views)

6) Budgeting and managing money (1,352 views)

7) How much rent can you afford? (1,327 views)

8) Mortgage affordability calculator (1,191 views).

Users visiting the Budget Planner came from pages suggesting either a budgeting need (i.e. an interest in a creating a budget), an interest in savings, or information relating to affordability. Analysing the top 34 pages[16] visited prior to the Budget Planner shows us that:

- (At least) 1 in 5 visitors were either seeking information specifically on budgeting and money management or were in financial difficulty[17].

- Approximately 4 out of 5 visitors 'channels of entry suggest either i) they had a related money management need, including understanding affordability and savings planning or ii) their motivations were unknown e.g. where they route to the Budget Planner from the homepage.

The routes visitors take into the Budget Planner tell us about their different needs and motivations, which may have implications for the language and tone of voice they might expect. Visitors looking to develop their basic money management skills, for example, may expect a different tone of voice than a visitor who is looking to reach a savings goal.

A third (33%) of visitors navigate to the Budget Planner via Google searches. Based on systematic web searching conducted by Winning Moves[18], we identified that the MAS Budget Planner features prominently in searches for the term 'budget planner'. If people don't search based on this term and use more general terms e.g. 'how to write a budget', results appeared to be less prominent.

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[16] With >200 visitors arriving from these pages across the research period

[17] We cannot indicate how many fit into each category identified in the second bullet point. Pages like the savings calculator, when used at face value as instructed, allow the user to e.g. calculate how long it will take them to save towards a target, see how much they are spending on food in comparison to other families, or see how much rent they can presently afford to pay in rent. These things do not in themselves directly suggest a strict budgeting need – a user could take whatever is generated from the page away and benefit from the information without wanting or needing to budget. We think that some users may have a budgeting need, but we cannot know this for sure. We do however note that these tools attempt to encourage users to go on and budget from their results pages, but this does not mean that users accessing these pages first possess a budgeting need; from duration of time spent on the BP entry page we can see some visits are probably simple curiosity regarding what the budget planner is.

[18] Using Google on multiple machines, operating systems and using a variety of browsers. We used the search terms suggested in the Google Analytics and some others suggested within the qualitative research. Terms included: budget planner, budget calculator, budget planner UK, monthly budget planner, free budget planner, how to budget, how to write a budget.

The remainder of visitors (17%) arrive at the Budget Planner via referral links from external sites or other search engines (non-Google). A wide variety of types of external sites provide links to MAS and/or the MAS Budget Planner, including banks, financial advice providers. The most common named referring sites were:

- Gov.uk[19]

- Pensionwise.gov.uk

- Informationvine.com[20]

This 17% of visits includes approximately 1% of all visits that arise via social media. We examined the number of visits to the Christmas Money Planner and Budget Planner on dates when MAS had scheduled promotional activity (blogs) during the research period and found no evidence that this activity increased traffic.

The Christmas Money Planner was not identified to be a significant source of traffic to the Budget Planner, with around 5% of visitors following the link from this to the Budget Planner.

3.4 How the Budget Planner is being used and completed

Once users arrive at the Budget Planner, approximately 34% of visitors exit from the entry page[21]. The median time all users spent on the entry page was 25.1 seconds, but users who exit from the entry page can leave after just a few seconds. We do not have evidence to suggest why this might be the case.

The remaining 66% proceed through the tool and we see that drop off reduces on completion of each subsequent page, suggesting that once people have invested increasing time to complete the tool they are more inclined to see it through to completion. 48% of visitors to the front-page also viewed the results page, though it is not possible to say whether they have completed all relevant fields or just flicked through the tabs of the planner. Of those users who did not leave immediately on the front page, 64% made it all the way to the results page.

We cannot know whether users were completing as individuals or households, which means for example, we cannot be clear whether seemingly missing data is deliberate (e.g. the user was completing as an individual in a household, where they are not responsible for a specific cost), accidental or because the person did not complete the tool comprehensively. However, as far as we are able to comment, data is comprehensive, and quality is largely good. Of the 56,455 entries to the Budget Planner during the research period, we removed 5,600 cases that contained unrealistic values, only contained values income or expenditure, or data contained no values. This suggests that:

- There do not appear to be many cases that suggest users had skipped over tabs within the Budget Planner (e.g. by leaving multiple figures blank where we would expect a value);

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[19] Gov.uk is the most common referral site to the MAS website

[20] This is an alternative search engine. Since the research period, the level of traffic from this site has significantly decreased. MAS is exploring possible reasons why traffic from this search engine was so high at this time.

[21] Wider web literature (e.g. Rocket Fuel, Exposure Ninja, ConversionXL) suggests that a bounce rate of under 40% is good/excellent, though sources typically discuss commercial entities.

- Most users are entering what we deem to be exact figures, rather than rounding things to the nearest £1/£10[22];

- Relatively few likely erroneous results were identified e.g. there were few very large outliers (1,720 cases were removed where the data contained unrealistic values);

- Almost all users entered figures in categories we would expect all users to complete e.g. we would expect everyone to report some household bills, and the data shows that 98.9% reported household bills while 98.9% reported some form of income;

- Almost all users completed the tool 'as intended', entering information for both income and expenditure (3,595 cases were excluded where only one of these was completed);

- There were few instances of 'mismatched' pairs i.e. users who reported costs for motoring but didn't report costs for petrol[23].

Overall, for fields that are likely to be a fixed amount per month (mobile phones, council tax, various insurances) we observed what appears to be a high level of accuracy (i.e. values are more likely to be specified to the nearest £0.01 and are in line with known expectations, such as for a TV licence). For fields that are likely to be billed but variable (e.g. utilities) we observed what appears to be a medium level of accuracy (i.e. values were more likely to be rounded to the nearest £1 or £10 and there is some variability in line with known expectations, such as for water rates).

However, the analysis did identify some errors in where information is entered, suggesting that some visitors do not understand the instructions and / or do not understand the structure of the tool and what data will be captured on which pages. For example, we identified that some users are entering figures in custom fields ahead of the correct input point – particularly on items such as gym fees, motoring related fees and other sundries e.g. monthly Netflix charge. We did not find evidence of users entering figures in a custom field either on the correct page or a page after that item should have been included, suggesting that users are not over-looking fields.

When users reach the results page, the data shows that the page they most frequently go on to visit is the income page within the Budget Planner (the first sheet after the entry page), which suggests users going back to check the information that they entered was accurate.

The data did not show evidence that users were frequently following the links to other advice and support (although it is not known whether user visit these pages at a later time and / or from a different device).

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[22] For example, we observed almost half of users supplied income to the nearest pence or pound, with few cases rounding to the nearest £100

[23] However, these may not necessarily be erroneous if the user who completed the tool did not have responsibility for associated costs.

Figure 2 shows the frequency of repeat visits to the Budget Planner for all users and a selection of users post data cleaning.
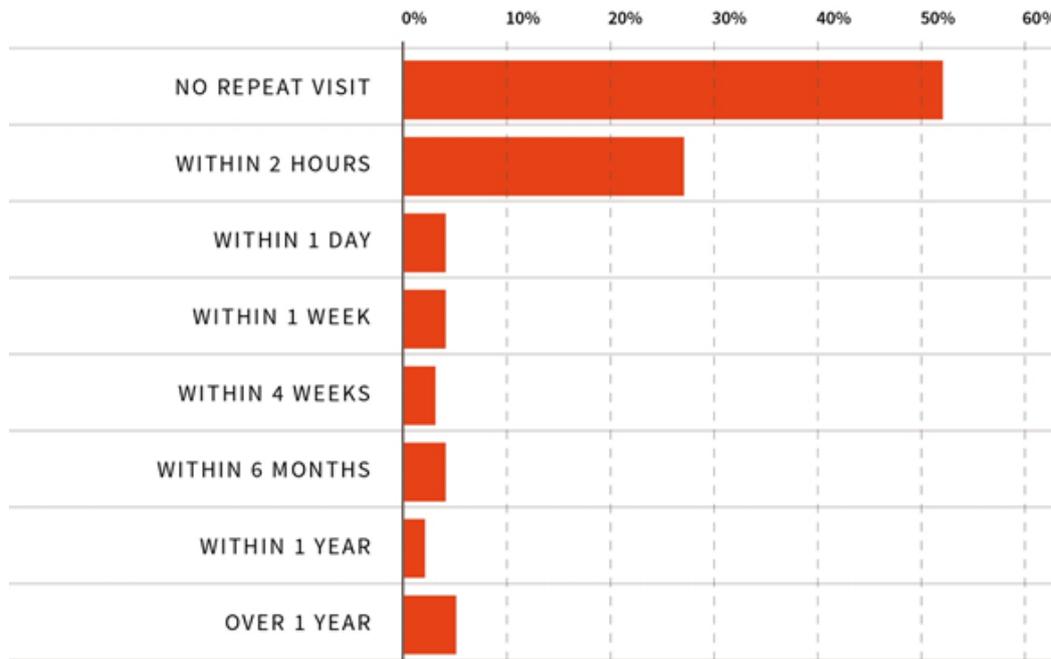
We did not have data to explore whether users made any previous visits to the tool during which they did not complete the tool in full.

Only approximately 10% of users completing the tool between October and December 2017 had previously completed the tool months or years previously.

Thus, we have assumed most users were found to be 'new', meaning that we knew their first visit was the only visit during which they had completed the tool. Most repeat completions occurred on the same day that the tool was first completed, most often within two hours of the first completion[24].

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[24] The findings from the qualitative research suggest that some users complete the tool using estimates, then later come back to complete the tool accurately and comprehensively. The data may suggest that this is more prevalent than the qualitative work would suggest.

3.5 Recommendations

Below we set out recommendations to help more users locate and access the tool, based on the analysis of secondary data.

Enabling more users to find the tool and understand its benefits to them

- **The evaluation identified that**:

    1) Over a third (34%) of visitors to the Budget Planner entry page left straight away, although analysis of registered user data suggests that some users do return to the tool quite quickly. The 34% of users leaving straight away included users who came to the Budget Planner from a page that suggests they possessed a budgeting need, and the data shows that not all of these users do then return within a few hours.

    2) That the Budget Planner was high or even at the very top in search results based on terms such as 'budget planner' and 'budget calculator', but not as high if people are searching on less definitive terminology such as 'how to write a budget' and 'how to budget'[25].

    3) Once people find the tool, 64% of those who didn't leave on the front page made it to the results page.

- **Considerations for MAS:** The evidence from this evaluation means that MAS could consider:

    1) The value and viability of increasing the prominence of the Budget Planner for a wider range of search terms, including those tested in this research.

    2) Explorjng why some visitors to the Budget Planner appear to drop out straight away. MAS might consider introducing a pop-up survey to explore this or some other form of research (e.g. usability testing) to understand reasons for drop out and whether there is anything that MAS can and should do to reduce this.

Improving the budget planner structure to improve user experience and usefulness of data generated

- **The evaluation identified that** the Budget Planner does not capture household composition or allow the user to indicate the capacity in which they are completing the tool.

- **Considerations for MAS:** MAS could consider re-visiting the architecture for the Budget Planner to capture household composition or allow the user to indicate the capacity in which they are completing the tool. Introducing this would:

    1) Improve the user experience by showing customers only the fields and links to further guidance that are relevant to them;

    2) Enable MAS to get a better understanding of the profile of the population of users (via understanding whether e.g. individuals or households are completing the tool, and understanding household composition), meaning more useful data;

    3) Enable analysis to inform MAS' understanding of whether a user has completed a tool comprehensively.

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[25] Though this research didn't explore the terminology that consumers are likely to use when interested in finding information relating to producing a budget.

4. Qualitative study on use of the Budget Planner and how this contributes to financial capability outcomes

Key Learning 1: In order for participants to make changes and experience positive financial outcomes, they need to:

- Recognise they have a budgeting need (either to achieve a savings goal or take control of their finances) and believe that better budgeting would work for them;
- Complete the Budget Planner comprehensively and accurately (and not from memory);
- Have an 'eye opening' moment: recognising, from the Budget Planner output, a surprisingly high area of expenditure which they could tackle first.

MAS could do more within the Budget Planner to ensure these three conditions are met and we make recommendations for this at the end of this chapter.

Key Learning 2: Where these essential factors happened, participants who engaged with the budget planner made various improvements to the way they managed their money, including economising, taking steps to control their spending and switching energy providers. Some had started to save and even reached modest, short-term savings goals within the research period. As a result, these participants felt more confident and motivated to go on managing their money well.

4.1 Introduction and methodology

As explained in Section 2, in the early stages of the evaluation we drafted a Theory of Change which encapsulated our understanding of how the Budget Planner is intended to work and the assumptions which sat behind this. We then designed the research to test and explore the thinking as set out in the Theory of Change.

CORE
component of primary research

RECRUITED USER DEPTH INTERVIEWS

Users recruited from a consumer panel, interviewed twice:

First interview: November / December 2017:
32 respondents

Second interview: February 2018:
26 respondents

ADDITIONAL
components of primary research

POP-UP SURVEY

Survey which pops up for users to complete on BP results page.

448 responses during January and February 2018

DEPTH INTERVIEWS

Non-recruited user depth interviews.

Recruited from pop-up survey 'opt-ins' 5 interviews conducted in March 2018

Recruited user depth interviews:

The core of the qualitative research methodology was built around a group of users recruited from a consumer panel, targeting 'Squeezed' parents. The Squeezed segment[26] are MAS' target audience, and parents were expected to face greater pressures in the period leading up to Christmas (the time of fieldwork). These individuals were asked to use the Christmas Money Planner, the Budget Planner, or both, after which we undertook depth interviews with them to understand their experience.

The depth interviews were conducted in two waves[27]:

- Wave 1: 32 participants were interviewed in the fieldwork period October/November 2017

- Wave 2: 26 of the same participants were interviewed a second time in the fieldwork period February 2018

Pop-up survey and non-recruited user depth interviews:

Findings from the recruited user depth interviews were supplemented with:

- Data captured from a pop-up survey[28] built into the Budget Planner, captured from 448 users of the tool between January and February 2018 [29]

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[26] MAS has undertaken a segmentation to identify and profile the different groups of people that exist, and to understand their specific financial and advice needs. Reports can be accessed on their research page.

[27] Information on the sampling approach for respondents can be found in the appendix

[28] A short survey which 'pops-up' in its own box when users reached the final page of the Budget Planner

[29] The pop-up survey did not function as intended due to technical issues and did not capture multiple verbatim comments from those who opted to complete it. It is therefore largely only useful in confirming that those who chose to complete the survey generally rated the tool very favourably, and therefore satisfaction with the tool was high amongst users. Some users did provide verbatim comments that align with the findings of the qualitative survey.

- Depth interviews with five Budget Planner users recruited through the pop-up survey (non-recruited user depth interviews), conducted in March 2018. The case examples provided below are taken from these interviews with actual users, rather than those we recruited for this research.

In considering the findings from this primary research, overarching considerations are as follows:

- We retrospectively developed a Theory of Change and assumptions for a tool that was not necessarily designed or built with considerations for financial capability outcomes

- The main study employed a small, qualitative sample, so we need to exercise caution in drawing conclusions and cannot extrapolate findings to the wider population

- Depth interviews with recruited users were conducted with individuals in a particular segment, and therefore recruited users may not be representative of the actual Budget Planner user population

- Primary fieldwork was conducted within the space of approximately 4.5 months (with around 3 months between the first and follow up interviews), meaning that this work could not wholly consider whether use of the Budget Planner leads to longer term financial capability outcomes i.e. sustained financial capability behaviours (such as managing credit use) or sustained financial wellbeing (such as keeping up with bills).

Unless otherwise stated, findings in this section are all based on evidence gathered within the research.

4.2 Use of the Budget Planner and how this contributes to financial capability outcomes - Theory of Change

Our understanding of how the Budget Planner is used and how this contributes to financial capability outcomes is summarised in the following high-level Theory of Change:

Figure 4: Theory of Change for the Money Advice Service online Budget Planner
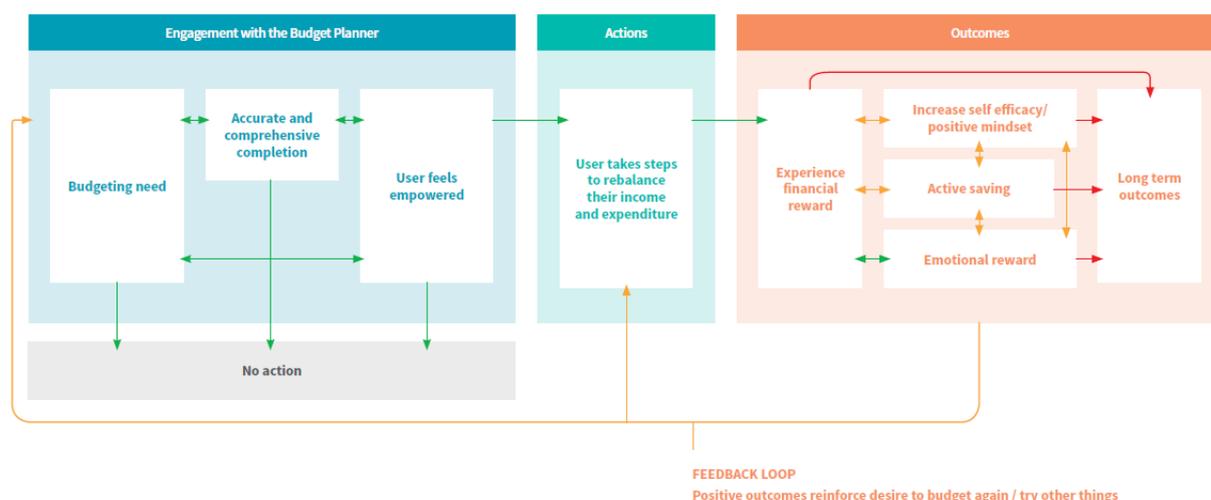
4.3 Whether and for whom the Budget Planner contributes to financial capability outcomes

This section is structured around the key outcomes set out in the Theory of Change:

- Taking steps to balance income and expenditure
- Experiencing financial reward
- Increased self-efficacy/changes to mindset
- Emotional reward
- Continuing to budget
- Long term financial capability outcomes.

Participants taking steps to rebalance income and expenditure

Depending on how they engaged with it (discussed in section 4.4 below), the Budget Planner allowed participants to accurately understand whether they were in surplus or deficit, and where within their expenditure there might be the greatest opportunities to make changes. This enabled participants to take steps to rebalance (or intend to rebalance) their income and expenditure by:

- Reducing their spending, e.g. cancelling or changing planned spend, reviewing existing monthly or weekly financial commitments to options which cost less, or cutting back on non-essential every day spending, like socializing.

> *"I've been able to cut back on some things when I'm out with friends and the baby, like coffee and cake ". (Female, 29, cohabiting)*

> *"Looking online I was able to find information about switching utility providers. I was already on the lowest tariff for my gas, but I have been able to switch my home insurance" (Female, 35, married)*

- Taking steps to keep a firmer handle on outgoings e.g. paying for things with cash instead of a card.

> *"I've carried on paying with cash instead of card, but I've also gone one step further and I'm now paying for my shopping online. It removes temptation to spend on extras that you see in store" (Female, 38, married)*

Case example: User A

User A wanted to use the Budget Planner to better understand his financial position before applying to the bank to re-mortgage his home. Using the Budget Planner really made him think about his outgoings and where he could cut back, recognise how much he was spending on holidays (making him think about the cost of holidays in the future) and become more conscious of his day to day spending. [Non-recruited user interview]

We observed that participants who took steps to rebalance their income and expenditure were more likely to identify with the following circumstances:

- **Financial situation – 'tight' but not too tight.** These participants were typically in employment and had some disposable income and were therefore able to make choices on what they spent their money on. Conversely, participants who felt that money was tight, or they did not have much income, were less likely to take action to rebalance their income and expenditure following use of the Budget Planner because they did not see any point to doing so as they are already very closely monitoring their income and expenditure[30].

  "I always aim to be responsible so I'm fully in control of finances - I know exactly when money is coming in and when bills are going out" (Female, 29, cohabiting)

- **Attitudes to risk and planning.** The analysis suggested that they had a responsible[31] and risk-averse approach to their finances (and sometimes referred to themselves as being 'financially responsible'), as well as a long-term approach to thinking about finances and goals. This was evidenced by behaviours such as previous or current attempts to budget (e.g. use of spreadsheets), respondents discussing structured approaches to household decision making and expressing desires to save. Where participants had previous experience of budgeting, this may ot have been the first time they had taken steps to to rebalance their income and expenditure.

- **Attitudes to new technology and channels.** They were more comfortable with mobile/online purchases. These participants reported using the internet frequently, and / or were comfortable with the use of apps on mobile devices such as smartphones. They also appeared more comfortable using an online tool than other participants in the study.

- Most steps to rebalance income and expenditure were related to changes to expenditure. However, there were also two instances in which participants was in the process of asking for a pay-rise and/or extra shifts at work.

Participants experiencing financial reward

Whilst it was too soon for some respondents in the recruited user survey to report significant financial rewards during the period of the study, some of those who took steps to rebalance their income and expenditure soon after using the Budget Planner were already noticing they had more money left over at the end of the week or end of the month. It was clear that this was the result of making small changes to everyday spending or weekly or monthly financial commitments.

"I'm noticing I have more money available for extras now, I'm congratulating myself every week" (Female, 25, single)

"There is a little difference already... There tends to be a little bit more left in the bank account at the end of the week" (Female, 38, single)

> **Case example: User B**
>
> Following use of the Budget Planner, User B looked at all his direct debits. He changed his TV and internet plans to cheaper options and cancelled some services e.g. Netflix. This has saved him around £100 a month. [Non-recruited user interview]

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[30] It should be noted that recruited user interviews were conducted with the Squeezed segment. We cannot say for certain how people in the Struggling segment would respond to the Budget Planner, but this finding suggests that the Budget Planner may be more engaging for people who feel they have some leeway in the budget

[31] E.g. wanted to pay bills on time and ensure they could meet all of their spending commitments

Participants who told us they experienced a noticeable financial reward usually reported one or more of the following; that:

- Taking action was allowing them to avoid punitive consequences relating to non-payment of bills or rent;

- They were proud that they could meet their financial commitments;

- They were able to reduce the financial burden on other members of family.

Participants experiencing emotional reward

The research found that for those experiencing a financial reward, an associated emotional reward could follow. Where participants had started to save, after making cutbacks having completed the Budget Planner, this was typically goal-oriented and often had a benefit for the family. For example:

- Considering visits to family overseas, where this had not been thought possible in the short-term:

"I'm now able to consider seeing family in Poland for a holiday. This was something that I just didn't think would be possible in my current circumstances" (Female, 38, single)

- Spending more on their children, or 'needing to say no less often':

"With the extra money I now have left I've been able to take the children on a mini-holiday to visit my Dad in Somerset" (Female, 25, single)

"When the kids ask you, you don't want to have to sit there dithering about 'can I afford to do it for the children?' I just want to get up and do it with them. It makes you feel good inside about it." (Female, 25, single)

Participants who experienced these emotional rewards said they were more motivated to maintain behaviours to reduce spending, try other ways to cutback, and/or maintain budgeting practices.

Changes to mindset/self-efficacy

Participants who had noticed they had more money left over as a result of taking steps to rebalance their income and expenditure (whatever the scale of this) experienced changes in relation to their mindset:

- **Increased financial confidence.** We observed this was particularly the case where participants had noticed changes in their financial circumstances in two or more consecutive months, or where they had taken more than one step to rebalance their income and expenditure.

- **Willingness to talk about money to their partners and family.** The Budget Planner provided a useful structure for participants to talk to their partners where they were struggling to have an open and meaningful conversation about their finances.

Case example: User C

Using the Budget Planner had encouraged User C to talk about her financial position with her husband. She feels that the opportunities for taking steps to improve their financial situation have come from being honest about their financial situation and talking to each other rather than just ignoring it and "muddling" through. [Recruited user interview] (Female, 29, cohabiting)

- **Creating a savings mindset.** For respondents who were able to reduce expenditure and end the month with money left over, some were beginning to save, or were considering saving through establishing a 'kitty' or through setting up a dedicated savings account for a specific purpose (goal-oriented saving, rather than a general saving).

> *"With the money we have saved from reducing expenditure we now have a savings account, for saving towards a holiday." (Female, 33, married)*

> *"Making change is a lot easier than I thought it would be. I thought it would take a lot more sacrifices to save money, but changing one small thing and then another, the savings do add up." (Female, 34, single)*

Case example: User D

Through using the Budget Planner, User D has had come to realise that she can save money if she wants to. She felt she knew she could save money before using the Budget Planner, but she didn't realise how much she could save by making simple changes. Every saving is encouraging her to think about where she can save a little bit more: "*The more you do, the more you want to do."* [Recruited user interview] (Female, 38, single)

Continuing to budget

The Budget Planner can create a positive experience of budgeting, which allowed those with less experience of budgeting to arrive at a new understanding of how budgeting could be relevant to them. First time budgeters who retrospectively talked about budgeting being difficult, time consuming or boring before using the Budget Planner reported that going through the process of completing the tool dispelled this perception.

> *"Since looking at that [BP] I've thought, you know what, it's pretty easy to do your budget." (Female, 43, single)*

This encouraged participants to budget again. Some participants did in fact report continuing to budget again (via the Budget Planner online tool or otherwise) even within the short timeframe the research was conducted in, through the tool or otherwise[32].

For those with more experience of budgeting, where the Budget Planner identified opportunities to rebalance their income and expenditure that they had not previously considered, the experience renewed their interest or confidence in budgeting.

Case example: User E

User E searched for a budget planner online as she wanted to find out how much per month she could put in a pot for her son's wedding in July. Using the Budget Planner has raised her confidence in her budgeting ability by giving her a greater insight into her finances. She used to be fairly sure of her numbers (around 80%) but now is around 95% sure of her finances and that she has explored every avenue for saving money each month. [Non-recruited user interview] (Female, divorced)

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[32]

Long-term outcomes

The timescale and scope of this study meant that it was not possible to measure or understand whether the Budget Planner contributes to longer-term financial capability outcomes from the MAS Adult Financial Capability Outcomes Framework (such as changes to wellbeing and money related-stress). As reported above, some have experienced financial rewards as a result of taking action to rebalance their income and expenditure which could be stepping stones towards those longer-term outcomes. With reference to one of the findings from the literature review (that budgeting was a 'short-term' activity), we are not able to comment on whether recruited users felt that budgeting was only something they would continue for a defined period.

4.4 How and why does the Budget Planner contribute to financial outcomes?

Following the previous section on 'whether and for whom' the Budget Planner contributes to positive financial capability outcomes, **this section** explores 'how and why' these outcomes occur.

Whether participants in this study took action to rebalance their income and expenditure following use of the Budget Planner appeared to be dependent on the interplay between three factors:

1) Their underlying 'need' to budget (e.g. they wanted to save or get finances under control) – the need they possessed to change something (whether that need was assessed by the participant or our analysis of their circumstances and what actually occurred);

2) Whether they completed the tool accurately and comprehensively; for example, by completing all the sections using accurate information;

3) How they reacted to the output (the results page) of the Budget Planner.

The relevant importance of these three factors is not currently clear, except that they are all necessary conditions for participants to take action. These factors also interact, for example, participants were more willing to spend time to complete the Budget Planner accurately if they recognised that doing so would help address a need they had (e.g. to take control of spending) and completing the tool accurately was typically necessary for participants to react well to the output (e.g. by recognising an opportunity to make cutbacks). The Budget Planner could do more to enhance these conditions and thereby prompt users to take action, this is discussed at the end of the chapter.

4.4.1   Budgeting need[33]

There were a number of reasons why participants found the Budget Planner relevant. This could be due to a planned or unexpected change in circumstance (which has encouraged them to inspect and think about their finances) or because they were in a 'contemplation stage' in relation to their finances and recognised the Budget Planner might help them inspect and think about their finances.

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[33] Within interviews, information provided by users was post-reflective in relation to perception of their level of need (rather than them telling us need before using the tool)

- The following planned or unexpected changes in circumstances suggested that the Budget Planner is relevant for participants:

    1) Needing to save for something big such as a holiday

    2) Wanting to save for more luxuries

    3) Changes to income such as maternity leave or redundancy

    4) Needing to address a sizeable, unexpected bill.

> **Case example: User F**
>
> User F uses the Budget Planner whenever there are substantive changes to her income and / or expenditure as both a source of reassurance (in confirming her financial position) and to identify opportunities to decrease her expenditure. She has used it several times over the past few years, most recently following her husband's death as now, living alone, her costs have changed. [Non-recruited user interview] (Female, widowed)

- The Budget Planner is relevant for people in a 'contemplation stage' in relation to their finances. This meant:

    1) They generally did not have an accurate understanding where money was going

    2) They had a desire or drive to become financially responsible but had yet to do anything in response to these desires

"I always knew I need to do a budget, I always knew I needed to stick to something, it was just doing it and meaning it" (Female, 38, single)

> **Case example: User G**
>
> As a result of prices rising (particularly rent) but wages remaining the same, User G was finding that she was ending up each month with less money than previously, so she wanted to take a closer look at her finances. The Budget Planner came up on an online search when she was looking for something to help her do this. [Non-recruited user interview] (Female, co-habiting)

As a separate point, there were two participants who were already budgeting but wanted to confirm that the method they were using was accurate and gave the same results as the MAS Budget Planner.

4.4.2 Completing the Budget Planner accurately and comprehensively

Completing the Budget Planner accurately and comprehensively took time and planning. Participants referred to online banking, bills and other paper work as necessary to enter precise figures and / or completed the budget planner with their partner where they shared responsibility for household expenditure. Prior to completing the Budget Planner, participants typically believed that they had a good understanding of their income and outgoings. However, going through the process of completing the Budget Planner comprehensively revealed opportunities to make changes that these participants had not previously thought possible. This is discussed further in the section below.

Completing the Budget Planner from memory however reinforced participants pre-existing beliefs about their financial situation. Upon seeing the Budget Planner summary page, participants who completed the tool from memory felt even more convinced that they understood their financial position and that they were doing all they could to manage their budget. This was in part a function of the evaluation methodology. Participants were not recruited on the basis that they had a budgeting

need or intention. Analysis of the customer data (see Chapter 3.5) showed low incidence of things that might infer inaccuracy (e.g. incomplete fields, estimated or erroneous data), which may indicate that, in the main, customers were completing the tool accurately.

Two participants reported completing the Budget Planner in a 'rough' fashion first and then going back to fill it in accurately and comprehensively. Completing it in 'rough' fashion convinced these users that the Budget Planner was useful and that they should take time to complete it accurately. They were also more aware of what information they needed to complete the tool and could have this to hand when they returned. These participants then went on to take action.

"I had a quick look and put in some quick figures off the top of my head. I was a bit surprised by the result so I did come back to it with bills up on my phone to get a proper result" (Female, 37, married)

4.4.3   Reactions to the results

For those who took action, going through the process of completing the tool accurately and comprehensively told them something 'new' about their financial position. This may happen where they did not understand their income and expenditure as well as they previously thought, or they were spending more on a particular item than they thought:

"The tool makes you think about the little things like after-school that you don't think about" (Female, 37, married)

This new information could be 'eye-opening' for some, to the extent that it encourages the user to take action to rebalance their income and expenditure.

"I was completely shocked by the results, so I rapidly made some changes which have brought down my expenditure." (Female, 38, single)

The results could be revelatory for both new budgeters and those who had some experience of budgeting in the past. User responses suggested that all categories of expenditure could yield surprising results, though household bills and living costs were the things most frequently completed within the tool.

"I was shocked how much I had overspent by on everything" (Female, 32, single)

"I was surprised and concerned by how much I'm overspending - my total monthly deficit was showing as £500 per month" (Female, 39, married)

Where participants found that their finances were in a worse position than they previously thought, this could lead to them feeling deflated on seeing the results. Some users overcame feeling deflated when they recognised opportunities to make cutbacks or reduce spending. However, this was not always the case. For some participants, there was no obvious course of action when viewing the Budget Planner summary page.

"It was quite depressing really. The debt that I've got I didn't realise was quite so bad. We really have to cut back and that's quite hard to accept really. The Budget Planner confirmed what I already thought that I did not want to know" (Female, 37, married)

The reaction to the results of the Budget Planner was a key factor for driving action (balanced against the strength of their budgeting need), not the information provided by MAS that surrounded those results. For example:

- Participants would not always see the links to additional information and advice (as these are sited lower on the results page and users need to scroll downwards to see them) and therefore participants were not organically following these links;

- Participants sometimes found the language on the results page less than compelling, in encouraging them to make changes, or felt that there might be little they could do to improve their situation.

Across the board, participants believed and trusted the calculations that happened within the tool to provide accurate results, based on the information they had entered. This was true even of those participants who had entered figures from memory and therefore may have been viewing erroneous information. Participants who were truly engaged went back to check they had entered information accurately when they found the results particularly surprising (e.g. high/low) suggesting that they suspected user error rather than an issue with the tool.

4.5 Recommendations

Below we set out some recommendations arising from this qualitative research, about how MAS might encourage more users to complete the tool accurately and comprehensively, and help more users get the most benefit from the tool.

Encouraging more users to complete the tool accurately and comprehensively

- The evaluation identified that:

    1) Users who complete the tool accurately and comprehensively are more likely to value the results and take action.

- **Considerations for MAS:** MAS could consider possible ways to:

    1) Help users to recognise that the Budget Planner is comprehensive and that the tool will help them to budget for items they may not think about;

    2) Revisit the structure of the tool so that users are less likely to input information in the wrong place, e.g. MAS could more effectively prepare people to complete the tool by better informing them what they need at the start so they are more likely to input accurate information and be less likely to drop out.

    3) Quality/sense check information as it is entered, to query possible erroneous results and ensure the user arrives at an accurate picture of their finances

Helping users to get the most/get more from the results page

- The evaluation identified that:

    1) Users' reaction to the results page influenced the impact of the Budget Planner on their subsequent actions.

    2) Users who set themselves goals or had specific things they were saving towards were more likely to engage with the tool and take action, particularly if there was an emotional element attached

    3) There are opportunities to ensure users know what action they can take to improve their financial situation upon seeing the results, and feel empowered to do so:

        - Users were not often seeing links to additional information and advice (as these were below the scroll line) and therefore were not organically following these links;

        - Users sometimes found the language on the results page less than compelling towards encouraging them to make changes, or felt that there might be little they could do to improve their situation.

- **Considerations for MAS:** MAS could consider possible ways to:

    1) Better present and tailor messages on the results page, to ensure users notice links to other information and encourage a positive reaction (whatever their output shows);

    2) Highlight / draw attention to the benefits of budgeting, in terms of helping people achieve goals and become more in control of their finances;

    3) Save individual Budget Planner results that users enter on different occasions to allow for communication of their progress over time and supporting their continued budgeting.

5.   Conclusions

The Money Advice Service is keen to understand how its digital content can improve customers' financial capability – in order to continuously improve its service, and ensure it is relevant and impactful.

Financial capability outcomes

The main objective of this evaluation was to understand if, how and why financial capability outcomes are improved through use of MAS's Budget Planner, and how outcomes for users of this tool could be further improved. Through delivery of this evaluation we have gathered evidence (principly from interviews with recruited users of the Budget Planner supplemented with analysis of customer data and web analytics) which determined that:

- Use of the MAS Budget Planner can lead to some users taking significant actions to help rebalance their finances. The users that took action to help rebalance their finances were usually those who:
  - Had an underlying budgeting need;
  - Completed the tool accurately and comprehensively; and
  - Were surprised with the results on completion of the tool, learnt something new about their income and expenditure and identified steps they could take to improve their financial situation.
- There was some indication that those who made changes were starting to feel the benefit of those changes in terms of having more money available to them on a weekly or monthly basis. Due to the short length of the evaluation period we were unable to determine if the Budget Planner leads to improvements in long-term financial capability outcomes, but the benefits observed should in theory lead to long-term benefits if new behaviours are maintained.
- Overall, the findings captured by this evaluation suggest that continuing to provide a Budget Planner would be an effective use of resources: there is demand for the tool, and users of the Budget Planner provided positive feedback which (alongside evidence of the outcomes that can be achieved through use of the Budget Planner) suggests that the tool is effective in its objectives.
- Outcomes could be improved for more visitors to the site, and we have suggested improvements to the tool, the content of its outputs and how this information is presented that MAS could implement, which we anticipate would improve outcomes for users. In brief, these are concerned with helping more users access the tool, encouraging them to follow instructions closely and complete it comprehensively using accurate data, and making the results page more meaningful with better presentation of information and clear next-step 'calls to action' linking to further tailored content.

The limitations of this study are, of course, that the primary methodology involved a selection of users that were recruited to take part in the work. Nevertheless, the fact that two interviews were conducted with each respondent allowed the research team to examine reported actions and outcomes of use of the Budget Planner in depth, which provides some confidence in the veracity of what the findings represent. Other sources of data corroborated that the Budget Planner is a useful

concept; for example, examining Google Analytics data shows significant traffic to the Budget Planner and evidence that users that are searching for help with budgeting are finding and completing the tool. The pop-up survey data was overwhelmingly positive which suggests high levels of satisfaction with the Budget Planner (unlikely to be evident if users were not finding the tool effective).

Insight from customer data and Google Analytics

Based on analysis of the Google Analytics data we suggest that MAS should examine its social media activities and how these link to content and tools, as the content analysed during the evaluation wasn't found to be generating any significant traffic to the MAS site. How resource for social media activities is deployed should be grounded in 'what works' and best practice for social media engagement.

Based on systematic web searching, the MAS Budget Planner features prominently in searches for the term 'budget planner'. If people don't search based on this term and use more general terms e.g. 'how to write a budget', results appeared to be less prominent. This suggests MAS should consider how Search Engine Optimisation could enable more users to find the Budget Planner when using different search terms e.g. help with budgeting.

Insight for developing the Budget Planner

MAS hypothesised that customers will engage more with its universal content (like the Budget Planner) when they are signposted to it from tools and partner websites that are context-specific (i.e. tools that are highly, and exclusively, relevant to certain types of people or situations). However, the research highlighted that the Christmas Money Planner was not an effective tool to generate referral traffic to the Budget Planner. The evaluation identified that other tools, such as the MAS Savings Calculator, might be a better option for exploring the journeys between content in the future as referral traffic from this tool to the Budget Planner was greater.

MAS currently captures a wide variety of data to understand reach and user experience including web analytics, the data customers input into tools and user testing when tools are being developed or improved. However, prior to this evaluation, very little work had been done to understand the effect of MAS digital content on users' financial capability, beyond users' exposure to relevant information. MAS wanted to use the Budget Planner evaluation as a test case in relation to how to effectively evaluate its wider digital content. Reflecting on their experience of this work (alongside other inputs), MAS is developing an approach to evaluating online assets in line with a public commitment to build the evidence base concerning financial capability outcomes. Their Evaluation Toolkit (www.fincap.org.uk/evaluation-toolkit) advocates an approach to evaluation that has outcomes measurement at its heart, and MAS may wish to consider whether extra material can be added to their Toolkit to support the evaluation of online assets.

Implications for evaluation of digital content

The evaluation employed a theory-based approach and because MAS had not developed a Theory of Change for this tool before, the Theory of Change that was originally developed was inherently complex (to accommodate for all of the possible outcomes that could have emerged from use of the tool). Through the process of developing and refining the Theory of Change, MAS should now be in a better position to understand the likely outcomes of digital content and develop approaches to evaluate digital content. The research has also confirmed that the data that MAS routinely capture and analyse can be examined alongside other evaluation data to help address evaluation questions. If

the structural changes to the tool and content that are suggested in this report are implemented (such as allowing users to indicate the capacity in which they are completing and also who is in their household), we suggest that this data would also become more useful for MAS, though there are important GDPR implications that need to be considered when examining the volume of data and what specific data is recorded from user visits.

Potential further research

Completing this evaluation has raised a number of interesting additional research questions to further inform MAS' understanding of their user base, how they engage with digital content and the outcomes that result from doing so. Our suggestions for further research include[34]:

- Longitudinal research to understand whether behaviours introduced in response to use of the Budget Planner are maintained / whether these trigger further changes in behaviour over time, and whether short/medium term improvements to financial capability do eventually equate to long term outcomes

- Research into why users exit from content pages immediately could be interesting and help with the targeting and structure of links between content across the MAS website. In addition, exploring other journeys between content could also assist with how individual content on the site is framed and targeted. Based on the findings of this research we recommend that if a further journey should be examined, it should be from the savings calculator to the Budget Planner.

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[34] Whether these form the focus or just one component of further research and evaluation assignments would be subject to discussion.

6. Appendices

6.1 Original Theory of Change

Component of original Theory of Change	Description
Triggers to use tool	We hypothesised that a distinct 'trigger' would lead to a user accessing/engaging with the online budget planner. Triggers could include: 1) Saving for an upcoming event 2) Needing to cope, or cope better with current financial circumstances e.g. unexpected bills, problem debt, redundancy 3) 'Spring cleaning' finances 4) Needing the output of the budget planner for a specific task e.g. mortgage application

Outputs	The primary output of the tool was the results page and the content it contained. By completing the tool and arriving at the results page, we hypothesised the user would:
	1) Receive their results – a snapshot of finances which allowed the user to understand
	   a. Income and expenditure
	   b. Essential vs. non-essential spending
	2) See/notice links to other information / tools from the results page
	3) See/notice categories in the tool about
	   a. Named benefits and entitlements
	   b. Named savings and investment products

Immediate outcomes	A number of things could happen 'immediately' following on from the outputs (relatively speaking – so these things might take hours/days/weeks to emerge). These could include the user: 1) Identifying opportunities to reduce spending / increase income 2) (If applicable) identifying that their expenditure is greater than their income 3) Becoming more confident in their ability to write a budget 4) Understanding how budgeting could be relevant to them 5) Becoming more aware of other guidance relating to money management 6) Becoming more aware of benefits they could be entitled to 7) Becoming more aware of savings and investment products they could use

Intermediate outcomes	Following on from the immediate outcomes, a range of intermediate outcomes could emerge. Relatively speaking, we expected to observe these things over timescales of weeks/months. The potential intermediate outcomes included the user:
	1) Taking steps to rebalance their income and expenditure by:
	   a. Reducing their spending
	   b. Reducing the cost of credit
	   c. Increasing income
	2) Accessing other guidance, advice or support in relation to their wider financial situation (non-debt related)
	3) Continuing to budget, through the tool or otherwise
	4) (If applicable) accessing debt advice / support
	5) Being able to use the budget planner results for other things e.g. when making applications for other financial products
	6) Getting to payday without running out of money, or with money left over
	7) Increasing their savings

| | 8) Reducing their debt |
| | 9) Taking other steps to improve management of money (not related to increasing savings or reducing debt) |

Longer term outcomes	We hypothesised that longer term outcomes could emerge following on from intermediate outcomes. In relative terms, we expected these to emerge over timescales of months/years. The potential longer-term outcomes included the user: 1) Feeling more confident and in control of finances 2) Feeling more confident using other financial products, and advice and guidance 3) Feeling less 'fearful' of opening bills and accessing statements (e.g. keeping up to date with their financial position) 4) Experiencing lower levels of money related stress and anxiety 5) Overall becoming more resilient to financial shocks 6) Being able to pay for planned costs 7) (If applicable) Achieving / working towards debt advice outcomes
Feedback 'loop'	We hypothesised that the process of completing a budget, taking actions and achieving intermediate outcomes could be reinforcing and encourage them to then trial other actions. Within this process we anticipated that users would develop a budgeting system that worked for them. The process could include: 1) Keeping track of their spending and looking for opportunities to cut back 2) Checking their budget planner output was in line with their spending 3) Making sure their spending was in line with their budget planner output

6.2 Approach to contribution analysis

Our contribution analysis was conducted by following six steps. These six steps are shown in the table below.

Contribution analysis step	Detail
Step 1: Set out the attribution problem to be addressed	Proposed problem: how use of the Budget Planner influences financial capability outcomes for those using it, relative to other influences.
Step 2: Develop a Theory of Change, and risks to it	We developed a Theory of Change at the outset of the project. Throughout the research we have been mindful to explore the likely contribution of the Budget Planner to identified outcomes, and what it is feasible for a tool such as the Budget Planner to 'do' e.g. is the Budget Planner sufficient to directly result in specific outcomes, or does it enable other outcomes to take place which result in changes to financial capability?
Step 3: Gather the existing evidence on the Theory of Change	The Theory of Change was developed following a Rapid Evidence Assessment of relevant literature and discussion with a cross-section of MAS staff. During this step we identified all primary and secondary research findings of relevance to understand whether the Theory of Change is supported and to what degree.
Step 4: Assemble and assess the contribution story, and challenges to it	Once we identified the relevant evidence, we used it to map out the contribution story and in turn revise the Theory of Change to accommodate the evidence. Key questions we asked were: • Which links between sections (e.g. outputs to immediate outcomes) in the results chain are strong and which are weak? • How credible is the story overall? • What are the main strengths and weaknesses of the story?

Step 5: Seek out additional evidence	This step involved the evaluation team providing an overall assessment of the degree to which findings supported the Theory of Change.
Step 6: Revise and strengthen the contribution story	Based on the outcome of step 5, the team will consider further adjustments to make to the Theory of Change to ensure the contribution story is robust and reflects what the Budget Planner is likely to achieve (based on findings from all streams of research and PFRC's review).

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6.4 Sampling – recruited user depth interviews

Sampling profile – recruited user depth interviews

Over-recruited to 40 interviews, assuming some drop out between interviews in wave 1 and wave 2.

Overall: targets for recruitment:
1. 20 respondents to use the Christmas Budget Planner and then the Budget Planner
2. 10 respondents to be asked to use the Budget Planner
3. 10 respondents to be asked to use the Christmas Money Planner.

Across four locations (10 respondents in each location):

- London

- Birmingham

- Edinburgh

- Cardiff (with option for interviews to be completed in Welsh)

Across four types of users:

- Squeezed younger single parents with children (12 interviews)

- Squeezed younger couple with children (12 interviews)

- Older Squeezed with children (16 interviews)

Target user segmentation

Location	Use Christmas Money Planner and then Budget Planner (20)	Use the Budget Planner in isolation (10)	Use the Christmas Budget Planner in isolation (10)
London	Squeezed younger single parents with children x 2	Squeezed younger single parents with children x 0	Squeezed younger single parents with children x 1
	Squeezed younger couple with children x 1	Squeezed younger couple with children x 1	Squeezed younger couple with children x 1
	Older squeezed with children x 1	Older squeezed with children x 2	Older squeezed with children x 1
Birmingham	Squeezed younger single parents with children x 2	Squeezed younger single parents with children x 0	Squeezed younger single parents with children x 1
	Squeezed younger couple with children x 1	Squeezed younger couple with children x 1	Squeezed younger couple with children x 1
	Older squeezed with children x 1	Older squeezed with children x 2	Older squeezed with children x 1
Edinburgh	Squeezed younger single parents with children x 2	Squeezed younger single parents with children x 1	Squeezed younger single parents with children x 0
	Squeezed younger couple with children x 2	Squeezed younger couple with children x 0	Squeezed younger couple with children x 1
	Older squeezed with children x 2	Older squeezed with children x 1	Older squeezed with children x 1
Cardiff	Squeezed younger single parents with children x 2	Squeezed younger single parents with children x 1	Squeezed younger single parents with children x 0
	Squeezed younger couple with children x 2	Squeezed younger couple with children x 0	Squeezed younger couple with children x 1
	Older squeezed with children x 2	Older squeezed with children x 1	Older squeezed with children x 1

'Squeezed' status

For all age groups:

- Must have children
- Must be in the following age brackets:
    1) Younger Squeezed will be 18-34
    2) Older Squeezed will be 35-54
- Must have access to the internet at home
- Must be in one of the four locations for the research

Confirmation of status then depends on different characteristics for different age groups:

Age bracket	Characteristics which define 'squeezed'
18 - 24	Rent from a private landlord **AND** very low or no savings
25-34	Rent from a private landlord **AND** low income **OR** Have a mortgage **AND** low income
35-44	Rent from a private landlord **AND** have a credit card **AND** low savings **OR** Have a mortgage **AND** have a credit card **AND** low savings
45-54	Rent from a private landlord **AND** Struggling with bills **AND** have credit card **AND** low or no savings **OR** Rent from a private landlord **AND** not struggling with bills **AND** low or no savings **OR** Own house outright **AND** struggling with bills **AND** have credit card **OR** Own house outright **AND** not struggling with bills **AND** low savings

Where:

- 'Very low or no savings' is defined as those with under £1k savings
- 'Low savings' is defined as those with under £10k savings
- 'Low income' is defined as less than £22k gross p/a

- 'Have credit card' is defined as owning one or more credit cards; this does not include store account cards e.g. Topshop, River Island
- 'Struggling with bills' is defined as those reporting they sometimes struggle with bills or are falling behind with some bills.

Therefore, the questions to assess Squeezed for each age group were as follows:

Age category	Age bracket	Data verified / captured to confirm in scope (depending on responses to other questions for that age bracket)
Younger	18-24	Internet Location Whether have children Age Tenure Savings
Younger	25-34	Internet Location Whether have children Age Tenure Income
Older	35-44	Internet Location Whether have children Age Tenure Whether have credit card Savings
Older	45-54	Internet Location Whether have children Age Tenure Struggling with bills Whether have credit card Savings