

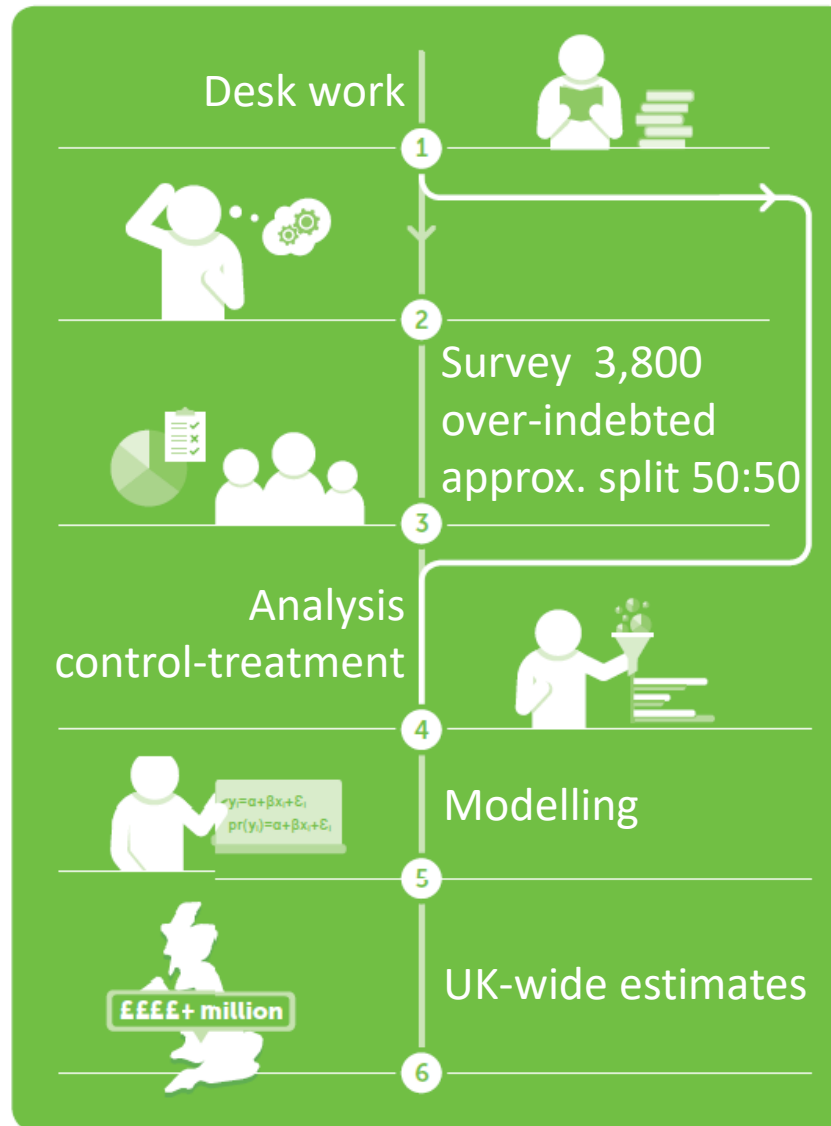
Economic Impact of Debt Advice

Colin Kinloch & Jair Munoz Bugarin
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- Introduction
- Methodology
- Monetised impact areas
- Conclusions and next steps

- Economic impact but not an SROI
- Quantify impact when statistically significant evidence is present (conservative)
- Robustness within confidence intervals
- Highlights evidence of probable impact and propose areas of future research



Improved mental and physical health

Employment and productivity

Relationships with family and friends

Children

Risk of losing home

Elderly (care home entry)

Desperation crime

Small businesses

Future credit access

Creditor recovery

Risk of further debt cycles

The credit cycle

Impact areas

Improved mental and physical health

Employment and productivity

Relationships with family and friends

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Impact on Health

Debt advice has a
social beneficial
impact of

£74-145m

annually across the UK

The associated benefit is due to reduced health
service costs and impacts on quality of life



Impact on Productivity

Debt advice has a
social beneficial
impact of

£67-137m

Indirect contribution to enhanced productivity
by reducing financial distress



Debt advice has a
social beneficial
impact of **£135-237m**

This is the reduced cost of recovery

Impact on transfer
payments **£133-360m**



Impact on Debt Recycling

Debt advice has a
social beneficial
impact of **£25-48m**

This is shared **£13-26m** in consumer benefits
and **£12-22m** in benefits for creditors

Impact on transfer
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Calculation includes only three debt
solutions; DMPs, IVAs and Trust Deeds



Total Impact

Debt advice has a total social impact of

£300 - 570m

Increase in transfer payments

£145 - 390m

Debt advice has a total impact of

£445 - 960m



- Debt advice generates benefits beyond those who invest in it
- Increasing the proportion of advice seekers would increase the benefit
- Integration of debt advice in a broader system can generate greater social benefit - in line with our commissioning strategy

Next steps

- Collaboration to fill knowledge gaps
- Broader stakeholder engagement

<https://www.moneyadviceservice.org.uk/EconomicImpactDebtAdvice>

Questions???

Colin.Kinloch@moneyadviceservice.org.uk

Jair.Munoz-Bugarin@moneyadviceservice.org.uk