Centre for Inclusive Money at Nest

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The BlackRock Foundation

Money & Pensions Service

JPMorganChase

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The work of the Centre for Inclusive Money provides a clear evidence base from which to build effective models of behaviour change, which in the long run will deliver change for the benefit of society.

Matt Bland,
CEO of All Together Money

People want to manage their money well and to build financial security for now and for later.

But too often structural barriers get in the way of making progress towards these goals, particularly for households living on low and moderate incomes.

We believe in an inclusive system of joined-up products and services that meets people where they are and supports their needs throughout the ups and downs of their life journeys.

A system that makes it easier for people to bridge gaps, build a savings buffer, invest and grow their money and work towards security in later life.

This matters, because it's about much more than money. People who are financially secure are happier and healthier.

They have better relationships and are more able to take part in life.

They are more productive. And they are more able to plan ahead and invest in the future.

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> **It's like plodding through treacle and you can't see a way out.**
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> Lived experience advisory group member

About the Centre for Inclusive Money

We build and amplify deep, rigorous insight into the lived experience of low- and moderate-income households, seeking to better understand how people actually earn, spend, save, cope with the unexpected, and invest for the future.

We develop innovative solutions grounded in that understanding. We test them in the real world. We gather robust, rounded evidence about what genuinely makes a difference. And throughout, we work with the people who have the power to act – industry, employers and government – to turn that evidence into lasting change; informing decisions and catalysing the adoption of what works at scale. We work inclusively and collaboratively across boundaries and silos, because we know no single organisation can deliver this kind of change alone.

We are building towards a fairer and more inclusive system of joined-up products and services that meets people where they are, supports their diverse needs and makes it easier for them to achieve good outcomes. Getting this right and improving household financial security can unlock greater individual wellbeing, social participation and economic growth.

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One of the things I found, with saving being quite difficult to do and never quite being able to get there... This is the first time I’ve had an opportunity to save which gives you quite a nice feeling of self worth because you feel like you’re achieving something for once without it all disappearing out of sight.

Savings trial participant

Our mission is to find what really works in supporting low and moderate income households to be financially secure, both today and into retirement, and to drive transformational change in the system.

> The Centre for Inclusive Money has a unique place, and authentic voice, within the financial inclusion landscape. It's fantastic to see a public-benefit research and innovation centre championing the needs of financially vulnerable communities in all areas of its work. A key thread stands out – inclusive design that centres those in the most financially vulnerable circumstances leads to increased financial resilience for all.
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> Muna Yassin MBE, CEO of Rooted Finance

Our focus is on the needs of low- and moderate-income households

We define low- and moderate-income households as those with below median income. That means below £45k gross income (in 2025) for a two-adult household.

We understand that households come in different shapes and sizes, from single-adult to multiple generations.

We adjust the income threshold relative to household composition.

"Hats off.
I think you've done a spectacular job… To the best of my knowledge this [the sidecar trial] is really the first study anyone has done that can provide the insight."

Shlomo Benartzi, PhD,
Professor Emeritus at UCLA Anderson School of Management

Our programme: current activities and priorities

Bridging gaps: resilience-boosting solutions

We're leading research to better understand the drivers of low resilience to identify solution areas with potential to scale. Areas of solution development include joining up borrowing and saving in hybrid approaches and exploring tools for managing volatility.

Building a buffer: emergency saving solutions

We're expanding proven workplace savings approaches to reach more UK workers. Our workplace savings trials with UK employers have built a strong evidence base for what works and the positive difference that building emergency savings through payroll can make to financial wellbeing and productivity. We're now working collaboratively to catalyse implementation at scale.

Investing and growing: wealth and assets solutions

We're working to better understand and address the barriers to investing faced by people in low- and moderate-income households. We're now exploring interventions that could address these challenges and support more households to meet their financial goals and progress.

Working toward later life security: retirement financing solutions

We're identifying ways to support people's later life retirement security, including addressing barriers for specific groups. Our priorities here include supporting self-employed people to save for retirement; closing pension gaps and supporting retirement decision-making.

We understand that the different areas of our programme are interlinked at household level and we consider needs and solutions holistically.

All of our work is underpinned by a programme of foundational research that seeks to better understand the experiences of low- and moderate-income households across the whole household balance sheet and the whole of adult life. We use innovative research approaches to more accurately diagnose and prioritise problems to solve, with a focus on identifying needs and tensions, mapping barriers and enablers and exploring behaviours and attitudes.

Our work so far has taught us that...

People's lives are complex and non-linear

Finances are entwined with other aspects of people's lives, their context and their history. Money management is intricately connected within and between households.

More people have volatile and uncertain incomes than predictable monthly salaries. Financial shocks don't wait for people to recover before striking again. Events can compound each other and lead to spirals. Making progress looks different for different households and may not be neatly sequential.

When money is tight, there are more competing demands in the household balance sheet

It's often not a question of saving **and** investing **and** planning for the future, but tough trade-offs between one goal **or** another. When minimum pensions contributions rose, there was also an increase in debt.

People choose to hold onto savings rather than paying off their loans to keep some control. Retirement savings may be accessed to cope with an expense today or bridge from ill health to State Pension age rather than converted to a retirement income. The system thinks of these things in silos, but in lived experience they are highly connected.

Cognitive load and structural frictions hold people back more than a lack of information or understanding

Almost everyone wants to build financial security and understands the need for saving and wealth building. People with less are often highly capable and tenacious money managers.

But there are frequently substantial gaps between intentions and actions. The effort involved in coping with scarcity means there's little or no bandwidth left for planning ahead or maximising. And a system that's not designed around your context or experience diminishes confidence and trust.

A small amount of saving can make a big amount of difference

Getting started with saving helps people feel more in control and builds peace of mind.

A small amount of cash partitioned to the side can support budgeting and cashflow management, which boosts financial wellbeing even if the savings balance doesn't grow over time.

Having a buffer to cope with emergencies reduces problem debt and bill arrears. Having greater financial resilience can transform how people feel about life, contributing to better sleep, reduced stress and healthier relationships.

Savings protect mental health and can mean people are more able to participate in life and be productive in work.

Small steps lead to next steps

Getting started with a new behaviour is challenging but also gives people confidence that they can make other changes.

Saving regularly can boost optimism, which in turn can support persistency. People who have emergency savings are more likely to invest, and to stay invested for longer. People with savings are also more likely to save more for retirement.

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Money and mental health are inseparable. When people are financially excluded or struggling to make ends meet, the impact on their mental health can be profound. And when someone is living with a mental health problem, navigating financial systems or managing money often becomes much harder. We won't solve either challenge unless we recognise how closely they're connected.

That's why the work of the Centre for Inclusive Money is so welcome. By generating practical evidence on what works to support people with money management, we can drive system change that's good for individuals, good for society, and ultimately good for the economy too. At the Money and Mental Health Policy Institute we look forward to working more with the brilliant team at Inclusive Money.

Helen Undy OBE, Chief Executive of the Money and Mental Health Policy Institute

This learning underpins the way that we think about solution design

Because of these insights we strive to:

Identify the drivers behind the issue

- Problem diagnosis often stops short at describing socio-demographic gaps.
- We believe in looking behind this description, to diagnose the 'why.'
- If we can understand the common underlying causes, we can better identify solution spaces.

Meet people where they are

- We start solution agnostic, thinking about the household and the ecosystem of touchpoints around it.
- Making products and services available does not mean people will find or use them. Connecting solutions to the places and moments where people are already engaging can unlock inclusion.

Support behaviours

- Making it easier for people to do the thing they want to do is more powerful than telling them to do it.
- We use behavioural approaches like defaults and prompts, always preserving choice and flexibility, and always grounded in insight into what people want, rather than assumption about what they need.

Join things up and sequence them

- We look for ways to reduce the load and address the tensions by bringing things together in ways that work for people.
- Based on the evidence, we're particularly interested in hybrid designs and pre-commitment approaches. This can mean that taking one step automatically sets people up for the next step to follow at the right time. We explore ways that these approaches can be made more personalised and responsive.

We publish all our work and share our evidence widely for public benefit

Our toolkit

Multi-methods research, harnessing advances in data and technology

We've built a research team with diverse backgrounds and skillsets. We combine multiple methods to understand research questions from different angles and to look holistically across different factors, including conducting:

- Landscape reviews
- Qualitative research
- Quantitative research
- Behavioural data analysis
- Econometric modelling

We push the boundaries of research methods, ethically and responsibly harnessing the opportunities of big data and data matching, open banking, AI and other technologies.

Human-centred behavioural design and testing

We combine learnings from behavioural science and human-centred design thinking to develop and rigorously test new solutions that are grounded in insight and evidence.

Where possible we conduct randomised controlled trials in real-world settings.

We also use other experimental approaches when appropriate, including simulating solutions that can't yet be trialled in the real world and working on proof-of-concept pilots.

Working in partnership and across boundaries

We collaborate with a broad range of organisations, including funders, employers, providers, government and regulators, to deliver on our mission and support solutions that work to scale.

We actively seek to learn from other countries and sectors. We've built strong international networks, working to drive global best practice in supporting financial inclusion and security.

We take pride in being a collaborative and committed partner.

Convening debate and building momentum throughout

We bring stakeholders together early, and invite input and debate to jointly develop ideas and build momentum around them.

Our events convene a broad range of actors in the ecosystem surrounding low- and moderate-income household money management.

Our inclusive network and multiple partnerships with a diversity of organisations are critical to advancing systems change and scaling solutions.

Challenge from both lived experience and professional experience

Our community of experts by experience work with us to shape our priorities, to inform our approaches and to guide our interpretation.

We also invite input, guidance and critique from a wide range of experts by profession, including in advisory groups, expert interviews and early review.

This diversity of experience and perspective challenges and strengthens our work.

The Centre for Inclusive Money was founded by Nest, the workplace pension provider built to give everyday workers somewhere good to save – already supporting more than 14 million people to plan for the future. Nest knows better than most what's possible when you design a pension scheme with real people in mind.

Our other strategic partners are The BlackRock Foundation, JPMorganChase and the Money and Pensions Service.

We work with a wide range of organisations to explore, test and scale new ideas in the real world. If you'd like to be involved in our work, we would love to hear from you.

www.inclusivemoney.org.uk

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Nest's purpose is “building financial peace of mind for all”. This is a big and bold ambition, and we know that financial peace of mind for all requires a system that works for everyone. We're proud to support the Centre for Inclusive Money at Nest, which, through its collaborative, cross-sectoral approach, seeks to shape the system so that low- and moderate-income households are better supported today and into retirement.

Ian Cornelius, CEO of Nest