

National Traveller Money Advice and Budgeting Service

Report on the

'North Circular Road Savings Club'

A savings initiative with Mountjoy Prison and Phibsboro Credit Union,
Dublin

2013

'To support myself when leaving prison....'

(member of the North Circular Road Savings Club)



'The North Circular Road Savings Club' was established in Mountjoy Prison in October 2009. Set up as a Credit Union Savings Club for prisoners, it was the culmination of six years of preparatory work by National Traveller MABS (NTMABS), Phibsboro Credit Union, Mountjoy Prison and Dublin North City MABS.

Background

During its work with Travellers living in the greater Dublin area, National Traveller MABS dealt continuously with ex-offenders who were unbanked, living on the streets, and had no access to savings or credit to pay for shelter. For this reason, some began to re-offend just to secure accommodation in prison. According to research completed by the Prison Reform Trust in the UK, 'the criminal justice system can increase financial exclusion, and reduce personal responsibility, creating problems with housing [...] thus contributing to a greater risk of reoffending'.¹

To address this, National Traveller MABS began looking at the possibility of introducing savings options to people while still in prison. This would support the development of savings habits among participating prisoners and ensure a record of savings was available for each participant upon release. A progressive example of this can be seen in the UK where, in 2006, the Co-operative Bank, in partnership with HMP Forest Bank (male prison in Salford, Manchester), embarked on an innovative project, which saw prisoners open a bank account while still in prison. Additionally, prison policy allowed for prisoners to 'within certain restrictions, [...] make deposits, including from the personal cash account'.² Prisoners who opened an account and who managed them effectively in prison, upon release, highlighted the importance of these accounts as a 'significant factor in building a new life'.³

National Traveller MABS in its Strategic Plan 2007-2009, identified, "the promotion of changes in policy and practice which impact negatively on the Traveller community"⁴ and "the promotion of equality in the provision of financial services" as two of its main objectives. Such objectives formed the background to this savings club. In the Strategic Plan (2010-2012), National Traveller MABS continued to focus on this area by identifying "access to alternative savings options" as one of its key objectives⁵ (appendix ii).

¹ Time is Money – Prison Reform Trust. Available at : <http://www.unlock.org.uk/userfiles/file/financialinclusion/timeismoney.pdf>

² Banking on a Fresh Start – Paul Jones, 2008 pg 6

Available at : http://www.unlock.org.uk/userfiles/file/unlockingbanking/RUFI_Banking_on_a_fresh_start_December_2008.pdf

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⁴ National Traveller MABS has a particular remit to work with Travellers. However, in this initiative, to ensure equality, it was decided to open the scheme to all prisoners, regardless of their ethnicity.

⁵ See www.ntmabs.org for further information on our Strategic Plan 2010 – 2012

Development of the pilot savings club

Due to resource constraints, it was decided to focus on one prison for the pilot savings club. The keen interest in the club by former Governor of Mountjoy Prison, John Lonergan, was a deciding factor in the choice of this prison.

A committee comprising representatives from Mountjoy Prison, the Irish Prison Service, National Traveller MABS, The Irish League of Credit Unions, Dublin North City MABS and Phibsboro Credit Union, began investigating possible savings structures for prisoners. Initially, the aim was for prisoners to open individual accounts in the local Credit Union. However after several years negotiating with the Regulator for Credit Unions, it was agreed to establish instead a savings club attached to Phibsboro Credit Union. The savings club does not allow prisoners *individual* membership of the Credit Union. However the participating prisoners who save in the savings club account receive annual dividends according to the overall amount saved.

Establishment of the pilot savings club

The successful creation of the “North Circular Road Savings Club” within Mountjoy Prison is an important achievement. The support from Phibsboro Credit Union and Mountjoy Prison officials and administration staff, evidenced through their active promotion and monitoring of the club has seen this club develop over the pilot phase. Their positive relationship with the members has also been a contributing factor to the running of this club.

Promotion: National Traveller MABS in consultation with Mountjoy Prison developed a promotional poster and leaflet to advertise the club. Produced and printed within the prison, the posters and leaflets were then disseminated and advertised in communal areas, such as the workshop and gym (appendix i).

The Chief Prison Officer compiled a list of inmates who expressed an interest in the club. An information session, presented by National Traveller MABS, Dublin North City MABS and Phibsboro Credit Union, was organised in June 2009. Following this session and with the support from the Chief Prison Officer, interested inmates applied for membership.

The Savings Club account was officially opened in October 2009. To formally open the club, three signatories - two from within the prison and one from National Traveller MABS - were attached to the club for security and transparency. After a number of months, an additional prison signatory was added.

Operation of the “North Circular Road Savings Club”

Members have money deducted at source by the Clerical Officer in the prison from their weekly gratuity allowance. An assigned Prison official then lodges the total contributions manually to the Credit Union.

Phibsboro Credit Union run the club along similar lines to any other club that they operate – a total amount is lodged into the account as opposed to individual member’s savings. However, for the purpose of this club, the Credit Union has developed a spread sheet showing individual members’ names and the amounts they have saved per week. This enables the Credit Union to manage the account accurately. It also helps prison officials to, when necessary, withdraw or transfer the correct amount to a member who may choose to leave the club.

Evaluation of the pilot

1. Mid-point evaluation

In 2011, 43 prisoners, serving sentences of 3 or more years were saving regularly. Membership of the club exceeded the initial expectation of 15 members. Amounts saved by individuals varied between €5 and €10 per week.

A mid- point evaluation of the pilot was undertaken with all stakeholders in 2011. This mid-term evaluation was an opportunity to explore the positive aspects of the club with key stakeholders, inclusive of club members. It also helped identify weaknesses and implement improvements.

To evaluate the club at this mid-way point, meetings were held with the Chief Prison Officer and Manager of Phibsboro Credit Union. Questionnaires were also circulated to members of the club to obtain feedback on the club (appendix iii)

Both Mountjoy Prison authorities and Phibsboro Credit Union expressed a deep satisfaction with how the club was being implemented and monitored. They agreed that the club was a positive initiative within the prison and, in an attempt to attract more members the Club, was included in the Mountjoy Prison Business Plan 2011. However, 2 areas for possible further development were noted-

- Prison officials noted an issue around the transfer and release of prisoners. In 2011, as no other prisons or credit unions were involved in this or any other similar club, transferring from this club to a similar club in another prison was not possible. As prisoner transfers can happen without warning, such a transfer could make it difficult for members to maintain their savings habit. (One

member of the club highlighted this stating *'who do I stay in contact with'*, as he was unsure as to how he might access his savings if transferred.

- Phibsboro Credit Union noted during the mid-term evaluation that manual deduction and lodgements were time consuming. No facility existed in Mountjoy Prison to transfer money electronically. However, the prison official in charge did acknowledge that this procedure caused no major disruption to his weekly work as it took him less than an hour per week to receive the cash, make the lodgement and update the spread sheet.

Members of the savings club also participated in the evaluation in 2011. 40% of members were surveyed and, of this figure, there was a 100% response rate. In responding, members reported the following-

- 56% had no bank or credit union account prior to committal.
- 100% reported no difficulty with paperwork when initially becoming a member (though it must be noted that prison officials did give assistance to anyone who needed it when filling in forms)
- 6% noted that there is *'not enough paperwork on how much we have saved'*
- 69% of respondents stated that saving did not have an impact on their daily life (for example, they could continue to purchase goods using money given by family members)
- When asked if they would continue to save upon release, the following responses were recorded

No	6%
Maybe	12%
Yes	82%

Some respondents went into detail about why they would continue saving, highlighting the importance of the club for their future:

'I want to plan for my future'

'It's always good to save for the kids'

'This allows me to build up a rainy day fund'

'I'll keep saving 'cause I have a family too look after.....I want to have funds to fall back on'

'Being a member of credit union has taught me that saving is a great way to purchase goods/services but it is a worthwhile option. Something I wouldn't have considered prior to opening this account'

'It is a great idea. That someone can come and save after 3 or 4 years they will have a few quid to help them out. Maybe deposit for a flat, coming up to birthdays, Christmas and other family things like weddings...'

2. End of pilot evaluation

For this evaluation, the original interviewees – Chief Prison Officer and Manager of the Credit Union – were re-interviewed (appendix iv). No members were interviewed for this evaluation as the data required was mainly quantitative in nature.

Membership : At the end of 2012, the savings club had **31** members saving regularly. This figure while down from 43 active members in 2011, is still more than double the target figure of 15 for the pilot.

- This fall in membership correlates significantly to a reduction in 2012 in the weekly 'gratuity' paid to prisoners by the state. This reduction has left prisoners with less money to purchase daily essential items, such as toiletries and snacks. In 2011, the daily amount for each prisoner was €2.35. This daily allowance was cut for everyone in 2012 to either an 'enhanced' rate of €2.20, a 'standard' rate of €1.70, or a 'reduced' rate of € 95c. In addition, prison authorities now deduct a further 15% from these rates towards the cost of television in cells and phone calls. On average prisoners incomes were reduced by 28% in 2012. ⁶
- Additionally prison officials noted that transfers to other prisons and prisoners being released also played a part in the numbers reducing.

Savings : Average savings have remained static throughout the pilot. Findings at the end of 2012 show the average weekly amount saved by members to be €8. In 2011, the amount varied between €5 and €10. This reflects a commitment by savers despite a fall in the gratuity payment. By the end of 2012, a combined total of €11,852.24 had been saved by the club.

Beyond the Savings Club : Membership of the club ceases once a member leaves Mountjoy Prison. Members are encouraged to continue saving upon release and are encouraged to open a local credit union account. However it is difficult to identify those that choose to continue saving and therefore the long term impact of the savings club on members who are transferred or released is hard to quantify. Generally a member's savings are withdrawn. Should a member wish to transfer funds into a personal credit union account Phibsboro credit union will facilitate this. To date one member, on release, has successfully

⁶ Source : <http://www.irishexaminer.com/analysis/negative-miserly-punitive-202527.html>

opened up a personal credit union account. The full amount saved, plus any small dividend that had been earned, was transferred by Phibsboro CU directly to the person's account.

Conclusion

While this club, at present, is used by only a small number of prisoners within the Mountjoy Men's prison, the benefits are clear for those involved. The members are supported in saving small amounts which will help them and their families financially upon their release. Additionally, members are developing good savings habits which will stand to them in the future.

The credit union and the prison see the positive aspects of this club – following the success of this pilot and enquiries from other sections of Mountjoy prison, it is anticipated that a similar club may be established, or the club may be extended to other sections of the Mountjoy campus. Additionally with the proper support and resources, such a club could be replicated in other prisons across Ireland.

However, consideration should also be given to allowing prisoners to access individual credit union accounts hereby allowing them full membership of the local credit union.

Recommendations

Following completion of the pilot phase of this prison savings club, National Traveller MABS recommends the following-

1. **Recommendation** – that the possibility of allowing prisoners open individual credit union accounts is considered by the Registrar of Credit Unions
2. **Recommendation**- that a replication of the Savings Club is undertaken in other prisons and with other credit unions. This would assist with the transfer of member's money. Other prisons would also be fully aware of any processes that are in place to receive or transfer money
3. **Recommendation** –that specific groups within the prison are included in the savings club e.g. lifers' – longer sentence will accumulate greater savings and support the development of a healthy relationship with saving
4. **Recommendation** – that upon release, the member is recommended to their own local Credit Union. All necessary supports should be offered to the member to ensure they are enabled to continue saving.
5. **Recommendation** – that further research is carried out to investigate the option of replicating the Co-operative Bank and HMP Forest Bank (UK) – allowing inmates to open bank accounts while still in prison.
6. **Recommendation** – the Irish League of Credit Unions (ILCU) actively promote the club among its membership

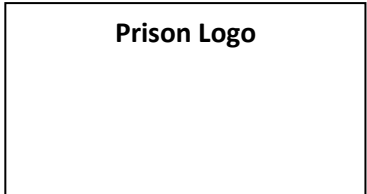
Appendix i



Save for your future...

Mountjoy Prison is offering you the chance to join a club savings account within Phibsboro Credit Union.

If you are interested in joining or want more information, contact



STRATEGIC PRIORITY 3: Alternative Savings and Credit Options

Promote the development and implementation of alternative legal and affordable savings and credit options

Quantitative

- Number of members in Prison Saving Club – will also highlight any members of who left or who were transferred
- Number of financial institutions and related stakeholders involved in club
- Statistics on number of members, amount saved per member, total amount in club, amount of members leaving club, amount of dividend

Qualitative

- Impact of club within prison – running of the club
- Impact of club for members – becoming a member, impact on their daily lives, had experience of saving previously
- Stakeholders and members satisfaction with outcomes
- Recommendations from main stakeholders and members

Appendix iii

Stakeholders – Mountjoy Prison, Phisboro Credit Union and Irish Prison Service (mid way evaluation)

Quantitative

1. No. Originally signed up to club
2. Current number of prisoners availing of club
3. Number of members opting out and any reasons given.
4. Number of members withdrawing cash; amounts?
5. Total savings in club
6. Average amount of savings made by members in one year
7. Amount of dividend (if any) (this will hopefully begin to show the benefits of savings i.e. gaining interest)

Qualitative

1. Overall is this club a good idea? Why / why not.
2. In your role and in your opinion: What worked well for you? What has been difficult for you?
3. What did you see as crucial to its success? Obstacles to the club? (eg. members opting out, withdrawing money etc)
4. How were they overcome?
5. Recommendations (Irish prison service, financial regulator)
6. Would you see this as something that could work in all prisons?
7. Is this club a project you would envisage remaining in Mountjoy now that the club is halfway through its two year pilot phase?
8. Any other comments?

Members

Qualitative

1. Did you have a bank or credit union account before you were sentenced?
2. How did you find becoming a member of this savings club? (support with paperwork, layout of forms, ease of opening account etc)
3. Can you begin to see the benefits of having the savings account?
4. Has saving had an impact on your daily life in prison (i.e. less money)?
5. Do you think that you will continue saving once you are released? Give reasons why or why not
6. Any other comments that you want to make...

Appendix iv

Evaluation of Mountjoy Prison Savings scheme with Phibsboro Credit Union
November 2012

Info

- First deduction was made on the 2nd November 2009
- Yearly evaluation with stakeholders took place in November 2010
- As of November 2012, savings club will be three years in place

1. Current number of prisoners saving (as of November 2012)

2. **Total savings** in scheme as of November 2012

3. Have any members transferred their accounts to another credit union upon their release? If yes, how many?

4. In your opinion, do you think this savings scheme has worked/not worked?

5. Have there been any obstacles for your service during the last two years in facilitating this scheme?

6. In your opinion, would you see the benefit for this scheme to be developed into individual CU accounts for participants?

7. Any other comments?

Evaluation of Mountjoy Prison Savings scheme with Phibsboro Credit Union
November 2012 - Prison

Info

1. First deduction was made on the 2nd November 2009
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Questions

8. Current number of prisoners saving (as of November 2012)

9. Average amount saved per week

10. Number of members opting out in the last 12 months.

11. Reasons for opting out – eg release, lack of funds etc

12. **Total savings** in scheme as of November 2012

13. Would you like to see the scheme developed further: e.g. money management education courses offered to participants

14. In your opinion, do you think this savings scheme has worked/not worked?

15. Have there been any obstacles during the last two years?

16. Would you see this as something that could work in all prisons?

17. Is this scheme a project you would envisage remaining in Mountjoy permanently? If no, why,

18. In your opinion, would you see the benefit for this scheme to be developed into individual CU accounts for participants?

19. Any other comments?

