Saver Plus: Saving for a better future

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Introduction

Household savings in Australia have declined dramatically over the past two decades. The savings ratio for the December quarter of 2003 was –2.7%. In addition to this alarming figure, the assets held by people aged 25 – 34 has dropped by almost 40% compared with the same age bracket in 1993 (National Centre of Social and Economic Modelling, 2003). Easily obtainable credit, societal pressures to spend and low interest rates are the primary factors attributed to this decline.

While the savings status of Australians in general is cause for concern, the plight of the low-income sector is significantly worse. There are additional factors that impact this sector making it difficult for their financial situation to improve. Firstly, this sector in general has lower levels of financial literacy than the national average (ANZ 2003). ANZ (2003, p.2) in their report on Adult Financial Literacy in Australia uses the following definition of financial literacy: *" The ability to make informed judgements and to take effective decisions regarding the use and management of money"*. Increasing levels of financial literacy is emerging as an important strategy in the quest for the alleviation of poverty and also to promote social inclusion (The Brotherhood of St Laurence 2003).

Secondly, there is a significant proportion of those with low-income that either spend all their weekly earnings each week or have difficulty in putting money aside for large financial outlays (ANZ 2003) or for contingencies against unexpected expenses. This situation often leads to financial exclusion and increased vulnerability to unscrupulous sources of money lending and / or excess use of high-charging credit facilities.

There is substantial evidence that shows strong links between low levels of savings, low levels of education and low levels of financial literacy (Harding, Lloyd and Greenwell, 2001; ANZ 2003). The Saver Plus program is an innovative initiative that aspires to confront these realities through a hands-on educational experience that bridges the gap between cultural poverty and sound asset management.

The design of Saver Plus, although tailored to suit the Australian context, is broadly based on the work of Professor Michael Sherraden (Center for Social Development, Washington University) in the USA which suggests that the building of assets has many positive effects on individuals, families and communities and has the potential to break the intergenerational poverty cycle (Sherraden, 1991; Page-Adams and Sherraden, 1996; Scanlon and Page-Adams, 2001; Chifley Research Centre, 2003). Sherraden initiated groundbreaking work on asset building policies in the early 1990s and has developed, trialled and evaluated Individual Development Accounts (IDAs) as a tool to assist those on low incomes to increase their participation in the financial services sector and to build assets. IDAs are essentially matched savings programs sponsored by government or non-government organizations and can target a range of savings goals such as small business, education, or home ownership. IDAs have now been implemented in many countries, with the UK currently piloting a government-sponsored program, Saving Gateway. While the various programs differ in savings goals, matched savings rates, participant eligibility and administration procedures, they are all aimed at providing incentives and support for the low-income sector to move towards financial inclusion, self-sufficiency, long-term prosperity and satisfaction.

This paper will provide a brief overview of some of the current literature on financial exclusion in Australia giving a backdrop to the need for the development of asset-building policies and the growth of savings programs. It will then outline details of the Australian Saver Plus program and present interim findings of its evaluation. It will include details of the characteristics of the participants; the impact of the program on their lives and family; and an indication of their savings success (at an interim stage). The paper will also give the opinions of the participants on the implementation of the program that will assist in the management of future programs.

Financial exclusion

Globally, there has been increasing concern regarding the growing proportion of people who are marginalized from mainstream financial services sector. While there are a number of definitions for financial exclusion, a report completed for ANZ by Chant Link & Associates (2004, p.5) have defined financial exclusion in the Australian context as:

> "The lack of access by certain consumers to appropriate low cost, fair and safe financial products and services from mainstream providers.
> Financial exclusion becomes of more concern in the community when it applies to lower income consumers and / or those in financial hardship.
> Financial exclusion is observable at individual, family or household level, but can also be heavily concentrated in suburbs or regions, and sometimes among ethnic minorities in a suburb or region.
> Financial exclusion can also apply to individual small businesses, NFPs and other community enterprise organisations."

There are several factors that have contributed to financial exclusion.

> "During the past decade the consumer financial services industry in Australia (and indeed in other OECD nations) has experienced substantial changes associated with several interrelated processes of global economic restructuring including deregulation, growing competition, the expansion of electronic banking, the rationalization of bank branch networks, and the shift in service offerings by banks away from transaction accounts towards investment-based financial products such as superannuation and insurance" (Agnes 1999 quoted in Connelly and Hajaj 2001).

Similarly, Chant Link & Associates (2004, p.47) list the underlying causes as: globalisation and competition; overall trends in financial services (e.g. Efforts to attract profitable customers while excluding the lower end of the market); branch closures; and risk assessment policies.

In some countries such as the UK those who are excluded from interacting with the financial services sector are known as the unbanked, however due to the welfare processes in Australia where nearly all recipients receive government funds via a bank account, this sector is more accurately described as the underbanked. While this sector has to have a bank account to receive their funds, their use of financial products is severely limited. There are four major barriers to financial inclusion in Australia (Kempson, Atkinson and Riley 2004; Hajaj 2002):

1. Restricted physical access to bank branches, especially in regional areas. Approximately 600 rural regions do not have financial providers in their communities. The closure of about 28% (2000) of bank branches across Australia between 1993 and 2001 has exacerbated the access situation especially for the low-come and rural sectors (Connolly and Hajaj 2001). Also access is often restricted for the elderly and others who have physical impairment that restricts their mobility making it difficult for them to visit bank branches.
2. Since 1988, banks are required under legislation to obtain "100 point" proof of identity from individuals who wish to open a bank account. Passports and / or a driving license are the primary sources of the points required for identity and these items are difficult for those on low-incomes to obtain or maintain.
3. A significant deterrent to participating in the financial sector are the increasing fees and charges associated with most financial products. Known as the 'bank fee poverty trap' (Connelly and Hajaj 2001) it naturally prevents people with low-incomes from becoming customers. Those with the lowest bank balances often incur the highest charges. In addition, customers who are not comfortable with utilizing automated banking processes (most of whom fall into the low-income sector) are further discriminated against.
4. Low levels of financial literacy amongst certain groups also contribute to financial exclusion (Hajaj 2002). As the number and complexity of financial products increase, this cause will only become more significant. Increasing financial literacy in Australia is currently an important strategy being undertaken by ANZ with the development of a financial literacy training program 'MoneyMinded'. A nationwide study conducted by ANZ (2003) has found that those who have the lowest levels of savings are more likely to have low levels of financial literacy.

Chant Link & Associates (2004, p.5) found that the types of products that financial exclusion referred to are: transaction accounts; savings accounts; financial advice; appropriate credit; insurance; home mortgage loans; superannuation; community enterprise financial support.

What are the effects of financial exclusion on an individual or family? Much of the research conducted in this area finds close links between financial exclusion and social exclusion that are both cause and effect. Those who are suffering from financial exclusion have reduced abilities to pay bills, access credit from mainstream financial institutions and are unable to develop a credit history that then further inhibits their asset accumulation. Social exclusion occurs when there are sectors of society that are prevented from participating in 'normal' societal activities such as savings activities and consumption activities (Burchardt, Le Grand & Piachaud 1999). Chant Link & Associates (2004, p. 36) capture the relationship between financial and social exclusion very well.

> "Some people or groups are excluded from 'normal' social participation because of their exclusion from various financial services;
>
> Some people or groups are excluded from access to financial services because of their social, economic or political exclusion or disadvantage;
>
> For some individuals and communities, these two aspects may be linked in a 'spiral'."

The increased focus on financial and social exclusion has attracted the attention of government and policy makers overseas and in Australia. However, it appears that the most significant changes occur with a bottom-up approach when the banks themselves take action. Community pressure for greater social responsibility has seen the introduction of basic bank accounts that attract no account fees or minimum balance requirements and allow for some withdrawals to occur free of charge. More significantly, is the commitment and leadership demonstrated by the sizeable and long-term investment by ANZ and their community partner The Brotherhood of St Laurence to encouraging financial inclusion in developing Australia's first matched savings program. Other initiatives offered by ANZ include:

- The development of Australia's first national financial literacy training program, MoneyMinded that is currently being trialled across Australia by a number of community organisations.
- A Community Banking package that includes an account for low-income customers that allows unlimited transactions without charge.

Following is a discussion on asset-building policies and how they can help to alleviate financial exclusion in the community.

Asset-building and Individual Development Accounts

Asset-building policies

While the encouragement of asset development is not a new concept amongst policy makers in the developed world, asset-building policies that are targeted at the low-income sector of society are. Asset building policies generally presume the existence of three elements: financial inclusion; a tax liability; employment and / or adequate income (Boshara 2001). The low-income sector as a whole are disadvantaged in one or more of these three areas and therefore are largely excluded from asset development programs. This has led to a significant maldistribution of assets in society that is worsening. So why are assets so important? How can the development of assets reduce financial and social exclusion?

The most significant work regarding asset-building policies for the poor and low-income sector emerged in the USA in the early 1990s with Michael Sherraden's proposal that welfare should include programs that would encourage the development of assets. Asset-building policies should be viewed as additional tools to the existing policies on income support, equity and other welfare services. The rationale for assets emerge from two arguments:

1. Economic – savings and asset accumulation rather than increased consumption has a better chance of helping to break the poverty cycle (Sherraden 1991). The accumulation of assets will provide a pathway to a greater level of engagement with mainstream financial institutions thus reducing vulnerability to unscrupulous financiers.
2. Psychological and sociological – the accumulation of savings and assets increases confidence, changes behaviour by encouraging long-term planning and creates a buffer for unexpected expenses. Most importantly, it provides the means for increased health and well-being and more life opportunities for the following generations (Scanlon, Page-Adams 2001).

Sherraden has based his work on asset-building policies around the need for greater levels of participation or "inclusion" of low-income individuals and families in the mainstream financial sector combined with suitable institutional mechanisms that will encourage savings. Sherraden (1991) sees institutional frameworks as being crucial in the distribution of assets. Institutional facilitators such as education, government policies, and employers should be key partners in working towards encouraging a fairer distribution of assets. He suggests, "Asset accumulations are primarily the result of institutionalized mechanisms involving explicit connections, rules, incentives and subsidies" (p.116). Beverley and Sherraden (2001) identify four institutional variables that impact saving and encourage asset accumulation:

1. Access to purposefully developed savings opportunities
2. Financial education
3. Appropriate incentives
4. Mechanisms geared towards facilitating savings

Individual Development Accounts

In particular, Sherraden proposes the use of Individual Development Accounts (IDAs) as an institutional framework purposely developed for encouraging savings. Essentially, IDAs provide incentives and other appropriate mechanisms for low-income families to save. The incentives include having savings matched at varying rates by a sponsoring organization – private or public; financial education; and support.

IDAs, over the last 15 years have escalated from concept to forming multi-billion dollar policies in the USA and have since spread to many other countries such as Canada, UK, Taiwan, Singapore, Ireland and now Australia. In the USA IDAs have enjoyed bipartisan support at every level.

The most comprehensive study on IDAs 'The American Dream Demonstration' was conducted in the USA on 14 programs that ran from 1997-2001 (with the research being conducted over seven years (1997-2003) and included 2,364 participants. The study revealed that those on low-incomes *could* save and also build assets. The average matching rate was 2:1 and the average savings per year was $700 (Schreiner, Clancy & Sherraden 2002).

The UK government conducted a widespread 18-month pilot 'Saving Gateway' with 1,478 participants opening accounts between August 2002 and May 2003. The evaluation report (Kempson, McKay and Collard 2003) has demonstrated significant success in the pilot and the program is to be rolled out nationally.

The above overview provides a backdrop to the following discussion of Saver Plus, a matched savings program aimed at encouraging a sample of the low-income sector to engage at a greater level with the financial services sector. The program also addresses financial illiteracy, one of the key contributors to financial exclusion. By providing low-income families with an institutional framework, incentives and education to help them save, the program demonstrates a successful Australian application of Sherraden's (1991) asset building policies.

The Saver Plus Program

Saver Plus is a pilot program aimed at assisting families on low-income to reach a savings goal and develop a savings habit. The program has been developed through a partnership between ANZ and the Brotherhood of St Laurence (BSL) and is being implemented through subsequent partnerships with Berry Street, Victoria and The Benevolent Society, New South Wales. The pilot is being delivered in three locations: Frankston, Victoria (BSL); Shepparton, Victoria (Berry Street) and Campbelltown, New South Wales (The Benevolent Society) with a maximum of 300 participants. The program was launched in July 2003 and the first phase of the pilot will be completed in February 2005.

In the Saver Plus pilot program participants nominate a savings goal that relates to secondary school educational costs. The program includes three major components: matched savings at a ratio of $2 for every $1 saved (maximum matched amount is $2000): financial literacy education; and case management. Those eligible to join the program need to be parents or guardians of children enrolled in a government secondary school in the year 2005. Eligible participants must have a Health Care Card issued by Centrelink, have additional earnings through part-time employment or self-employment and, through the induction process, demonstrate a capacity to save.

This paper will discuss the role of the three components (matched funds; education program; and case management) in assisting the participants to reach a savings goal and develop a savings habit.

Methodology

The evaluation of Saver Plus utilises both quantitative and qualitative techniques. Predominantly, the evaluation aims to assess the following Saver Plus program objectives:

- Assist up to 300 low-income earners to achieve a savings target
- Increase the financial literacy skills of up to 300 low-income earners
- Make recommendations about replicating the program including ways to encourage other groups to pick it up

Self-completion questionnaires were given to the participants at the time of joining the program (i.e. those who have joined between July 2003 and March 2004 agreeing to participate in the research). In addition, the quantitative analysis includes the participants banking activity data.

The qualitative research includes depth interviews with staff involved with the program development and implementation including site managers; branch staff; and project management staff. The second stage of the qualitative research consisted of two focus groups held in each Saver Plus site – Frankston, Shepparton and Campbelltown with numbers ranging from 7 to 11 per group. In addition, the focus group participants completed a brief questionnaire to enable us to capture individual opinions, apart from those expressed in the focus group setting.

Results

The following includes results from the questionnaires completed by participants when they joined the program and also the focus groups conducted while they were in the program. The initial questionnaires provided information regarding the demographics of the participants; their prior savings behaviour; their interim savings behaviour while in the program; and the goals being saved for. The two primary aims of the focus groups were to capture the individual experiences of the participants while in the program and to compile their thoughts and opinions on the implementation of the program.

Saver Plus Participants

In total, 269 Saver Plus accounts have been opened. Overall, Saver Plus participants are mostly female, sole parents aged between 30 and 50 years. On average, the participants have 2.6 dependent children with the average age of the children being 11.8 years. The participants possess a range of different education levels but the most common is partial completion of school education followed by a subsequent qualification from TAFE.

Most of the participants stated that their primary source of income is from paid employment and the average participant family income (after tax) is $688 per week. If we looked at a Saver Plus couple with children, the average income (after tax) is $738 whereas according to the Australian Bureau of Statistics (2003), the average income (after tax) across all Australian households of couples with children in 2000-2001 was $998 per week. Interestingly, Saver Plus sole parents earn $662 per week, which is more than the average Australian sole parent who earns $574 per week.

Using the latest available Poverty Lines obtained from the Melbourne Institute of Applied Economic and Social Research (2003) (calculated using the Henderson method) the proportion of Saver Plus participants falling below their relevant poverty line is 15.5%. However, in some categories the rate is much higher, for example, 42% of participants that are a couple with three children are below the poverty line for that category.

While most participants have been able to save before joining the program, it has mostly been sporadic and the amounts are small. Approximately 30% of the participants have savings of less than $50 while 23% of the participants never save anything. Just over 40% of the participants reported that they had a specific savings goal in the last five years, and of these, 82% had met their past savings goal.

The total amount saved by account-holders had reached $56,683 by the end of March 2004 with an average balance of $271. Between July 2003 and March 2004 there had been 777 deposits made into accounts totalling $58,552 and 21 withdrawals totalling $1668.

The majority of participants (89%) have made deposits each month of their membership with an average monthly deposit of $75. A small number (9%) have made withdrawals and 11% have missed deposits some months.

The most common goal being saved for by the participants is a computer or computer accessories such as printers, scanners or software. Books and uniforms are the next most common goals that participants are saving for.

Participants' Initial Perceptions And Overall Experience

The focus groups revealed that the participants are extremely satisfied with the program so far. As shown below, all respondents selected either the highest or second highest level of satisfaction resulting in a mean score of 2.75.

Table 1: Rating Of Overall Experience

Very Negative -3	Somewhat Negative -2	Slightly Negative -1	Neutral 0	Slightly Positive +1	Somewhat Positive +2	Very Positive +3	Mean Score
0	0	0	0	0	13 (25%)	39 (75%)	2.75

The participants were asked to recall their initial perceptions and thoughts upon hearing about Saver Plus. The discussion revealed that initially there was considerable scepticism and distrust about the program. Many thought it was simply too good to be true or that there would be a 'catch'.

> 'When I first learned about it I thought it's quite impossible' (Campbelltown, group 1).
> 'I just thought there's got to be a catch somewhere, so I didn't follow it up' (Shepparton, group 2).
> 'When I read about it I thought it was a gimmick, too good to be true' (Frankston, group 1).

There were some participants though who even if they thought the matched funds were too good to be true, thought it was worth the effort enquiring and their saved money would not be wasted.

> 'And the worst that could happen is that you've got money saved in the bank, in your own account with your own signature, and nobody else can get it' (Shepparton, group 1).

Some participants thought that any program that was giving 'free' money away would surely be oversubscribed quickly and therefore did not bother to do anything about it.

> 'Because I thought all the places would be filled up, I just put it [the brochure] away and when I was cleaning the cupboards I found it again four weeks later. I thought I am just going to try and if they say no, I can't get in then so be it. But I was surprised when I was told I could join' (Campbelltown, group 1).

The participants voiced a number of perceptions regarding the factors that helped to convince them that the program was legitimate and 'catch' free. For some participants it was the involvement of ANZ, for others it was the community group.

> 'I've seen Robyn at the [ANZ] bank since I started work when I was 15, so if Robyn's there [at the information session] and they say it's with the bank then I'll have to believe it, having the official people, and because they're local' (Shepparton, group 2).

Those who attended the information session could sense the enthusiasm and sincerity of the presenters from partner organisations and they found that was a convincing factor.

> 'Well, when I went down to the information session, one of the ladies that was giving the talk, she had to hold herself back from jumping up and down as she was speaking because she was so excited…. it made us believe that in the end it was okay' (Frankston, group 1).

Other participants trusted the opinion of their friends and it was word-of-mouth rather than brochures or letters that proved to be more powerful in convincing people to enquire. Having the promotion of the program conducted through the school also gave the program credibility.

> 'My friend told me about it and I said, 'no, too good to be true' and I thought well if she goes along, and she's pretty cluey, I thought I'll go along with her and we'll just suss it out' (Frankston, group 1).

Financial Education

The Saver Plus program includes a compulsory financial education component so participants have every opportunity to learn from each other and develop strategies to manage their money and save to meet their goals. The financial education aims to develop the participants' systematic management strategies to assist in creating long-term savers well after the benefits of the matched savings are achieved. Research conducted on IDAs in the USA revealed that savings outcomes were positively correlated with the number of hours of training but only up to a point of 12 hours. When this level was exceeded, the benefits plateaued or were reduced (Schreiner, Clancy and Sherraden 2002).

The Saver Plus Financial Literacy program was developed by the Victorian School Innovation Commission (VSIC) and includes five modules over five weeks (total 12 hours). The modules include:

- The benefits of saving and strategies to develop a savings habit;
- How to identify barriers to saving;
- How to establish effective goals;
- Useful and relevant information about the services offered by financial institutions and how best to utilize them.

The education component is delivered by the Relationship Managers at each pilot site with participant groups of approximately 8-10.

Overall, the participants were happy with the education program and found it a valuable source of information that helped them in their efforts to save and also in general financial management. Many also found the classes to be an opportunity to build friendships and create support networks.

The participants were asked to comment on two aspects of the education program: the content and the delivery. Table 2 shows that all participants were satisfied with the content but gave suggestions for future programs. Due to the wide range of starting points in the participants' financial knowledge and skills, it is extremely difficult to design a program that suits all needs.

Table 2: Satisfaction with Content of Education Program

Very Unsatisfied -3	Somewhat Unsatisfied -2	Slightly Unsatisfied -1	Neutral 0	Slightly Satisfied +1	Somewhat Satisfied +2	Very Satisfied +3	Mean Score
0	0	0	0	4 (8%)	11 (21%)	37 (71%)	2.63

From the discussion though, the enthusiasm and confidence gained from the education program was clearly evident. Although there were a few participants who admitted to feeling intimidated and uncomfortable at the prospect of having to undertake financial education, the continual support from the Relationship Managers expelled any negative feelings along with the realization that others in the group were in the same situation.

> 'Everyone is in the same boat. It was just encouraging talking to other people that you can relate to' (Shepparton, group 2).

There were many examples of behaviour change directly related to the knowledge and skills gained in the program.

> 'I learned how to use money more wisely, for example when a credit card bill comes, I know I should pay that as soon as I can, not wait until the interest comes' (Campbelltown, group 1).

The program prompted one participant to shop around for a credit card that had lower interest rates than all the others and transferred the existing debt from the higher interest rate credit card to the lower interest rate facility in order to pay it off quicker.

The two education concepts that seemed to have had a profound effect on the participants are the 'pay yourself first' and 'needs versus wants'.

> 'To make saving a priority, as part of your budget, in that the money goes in first rather than tacking it on at the end of the week and then finding we don't have enough. I thought that was really good' (Shepparton, group 2).

> 'The workshop on 'needs vs wants' was very useful – it helps to plug the leakages by asking yourself whether you really need something' (Campbelltown, group 1).

Many of the participants found that for the first time they are using a plan for their spending and this has given them a feeling of control over their finances.

> 'Being made to think through expenses and writing it down was scary at first, but it was a very useful exercise as you realize where the leaks are' (Frankston, group 2).

One participant said that for the first time in her life she felt confident enough to ask questions about financial and welfare issues when she didn't completely understand something. This in itself is the first step towards greater levels of financial literacy and better life management.

Table 3 shows that all the participants were satisfied with the method and the interaction it provided.

Table 3: Satisfaction with Delivery of Education Program

Very Unsatisfied -3	Somewhat Unsatisfied -2	Slightly Unsatisfied -1	Neutral 0	Slightly Satisfied +1	Somewhat Satisfied +2	Very Satisfied +3	Mean Score
0	0	0	0	0	12 (23%)	40 (77%)	2.77

The Role Of The Relationship Manager

Participants of Saver Plus are supported and encouraged through the program by a Relationship Manager. There is a Relationship Manager for each location and they are responsible for the recruitment of the participants, administration and maintenance of participant files and the delivery of the financial literacy training program. The Relationship Manager is to implement and monitor the program in such a way that the partners' and participants' objectives are served.

One of the lasting impressions we had from the focus groups is the level of appreciation and the high regard the participants have for the Relationship Manager. In all sites, the Relationship Managers have played a critical role in the development and education of the participants. Apart from the formal role, it has been the personal qualities that the Relationship Managers have brought to this role that has impressed the participants. Many participants credit the support and encouragement provided by the Relationship Managers to their remaining on the program and to their ultimate success in achieving their goals. Table 4 gives the quantitative results of the level of satisfaction the participants have for the role of the Relationship Manager.

Table 4: Satisfaction with Support Provided by Relationship Manager

Very Unsatisfied -3	Somewhat Unsatisfied -2	Slightly Unsatisfied -1	Neutral 0	Slightly Satisfied +1	Somewhat Satisfied +2	Very Satisfied +3	Mean Score
0	0	0	0	1 (2%)	3 (6%)	48 (92%)	2.90

The most significant characteristic that was common to all the Relationship Managers is the ability to demonstrate empathy. The Relationship Managers have a gift in being able to help the participant feel comfortable enough to talk honestly and openly about their situations and problems. Each Relationship Manager was able to build personal relationships with each of the participants, remembering each of their names and circumstances. It was clear that the participants view this role as a critical element to the program. Following are some examples of the comments from participants about how they viewed the role of the Relationship Manager.

> 'Its been good having her [the Relationship Manager]…she remembers things about your personal life, like if it was just done through a bank they're not going to remember you next time. She has been very good with that and you know that you can take other issues to her so you had that extra benefit' (Campbelltown, group 2).

> 'She [the Relationship Manager] made us all feel like we can call her at any time. And the other thing is that she follows up things at lightning fast speed' (Campbelltown, group 2).

> '[The Relationship Manager] is fantastic, approachable, explains things well, goes the extra mile and treats everybody equally' (Frankston, group 1).

> '[The Relationship Manager] is a people person that delivers 200% all the time. She is a role model that practices what she preaches and made us all feel special' (Frankston, group 2).

> 'It's because of [the relationship manager] that we're really here' (Shepparton, group 1).

> 'She listens, and anybody who came across a good idea she complimented them for it, she made you feel good if you said something positive, so you felt rather smart' (Shepparton, group 2).

The participants also appreciated the enthusiasm displayed by the Relationship Manager and this helped to motivate them to stay on track. All groups commented on the relationship managers' high level of competence in the role and their flexibility in dealing with each individual situation.

These few comments do not do justice to the extent of the feelings that the participants obviously have for the Relationship Managers and there is no doubt that this role is critical to the success of the program.

Strategies For Saving

The education program provided a valuable opportunity for the participants to share and pool their strategies for saving. There was a wide range of strategies that were mentioned from rationing take-away; making lunches instead of buying; car-pooling; and distinguishing between wants and needs. Following are a sample.

> 'I bake every Sunday now and I make all my own muesli bars and biscuits. I get all my daughters involved as much as I can, which I should have done years ago. I find that this is my big money saving strategy at the moment, because I am not going to the grocery shop and buying things that are all wrapped up and you pay for in boxes' (Campbelltown, group 1).

> 'I cut our bills down at home, like with the phone, I've stopped mobile calls from the home phone and STD calls, because [son] and all his friends come over and when their credit runs out on their mobiles, they just use my home phone. I have saved over $300 in three months' (Frankston, group 1).

> 'It's more just balancing out what is there and making the kids do more, like they do a lot more chores just to help out and they're doing their own savings. It's everyone starting to think about it, it's a whole communal thing now' (Frankston, group 2).

> 'I gave up smoking. It's the only way I could do it' (Shepparton, group 1).

> 'I plan my trips into town more so I get all my errands and shopping done at once so I am not wasting petrol' (Shepparton, group 2).

Enlisting the help of the family seemed to be most effective in helping the participants achieve their savings goals. There were many participants who, like many parents, find it difficult to say 'no' to their children, but those participants who have involved their children and / or partners, have found it easier to stay on track with their savings. Some participants told how their children have suggested cheaper alternatives e.g. purchasing chocolate milk from the supermarket instead of a milkshake from a takeaway shop to help save money.

> 'For my kids it has been really good, when we go shopping they are saying, 'Oh, we don't need that mum,' or 'we can get a cheaper brand here mum,' and they were actually involved' (Frankston, group 2).

Many of the participants have found that the general planning and budgeting skills they learned in the education program have been the primary strategies that have helped their savings efforts. Simple things like sticking to a shopping list and not buying things that have not been budgeted for have been key elements to their saving success.

> 'I make a note of everything I spend now, I have a little book. I can see where the money is going, just track it, because there is money that you forget you spend, it's like where did that go? It's the tiny little things but over a week they add up.

So now at the end of the week, I can see that okay, I have spent too much there and I have seen where all my hard earned money goes' (Frankston, group 2).

Impact On Family

In terms of the effect on family and / or life generally, most respondents, as seen in Table 5 rated this as being somewhat or very positive.

Table 5: Rating of Effect on Family and/or Life Generally

Very Negative -3	Somewhat Negative -2	Slightly Negative -1	Neutral 0	Slightly Positive +1	Somewhat Positive +2	Very Positive +3	Mean Score
0	0	0	2 (4%)	2 (4%)	21 (40%)	27 (52%)	2.40

Some of the most positive stories tell of the effect the program is having on the family as a whole and the transference of financial skills from the participant to their children.

> 'I used to give my daughter $10 pocket money, now she will just use $5 out of that and save the other half' (Campbelltown, group 1).

> 'My kids were fascinated because I did them up a tally of what we spent, like medical, shopping and other things and junk food and sweets and they went 'oohh' so we actually consciously stopped how much junk food we were eating. That was an instant saving' (Frankston, group 2).

> 'We have been lucky that we have been able to do it together and we'll go home and discuss things together. We both come up with different ideas and it's working really well' (Frankston, group 1).

> 'When I get home from the education workshop, my kids always ask 'how was school?' They are wrapped I had to do homework' (Shepparton, group 1).

For many, knowing that they have a plan in place is making a difference to their quality of life overall. It has reduced stress in many cases knowing that when the bills arrive there will be money there to pay for them.

> 'I know for me personally, I look at it like it's very positive because I can see there is a bit of light at the end of the tunnel, more quality of life, like to continue saving each year and know that the year after I won't stress as much at Christmas because I'll start saving and that can be like Christmas money or holiday, and having that buffer that we learned about. It gives you a bit more peace of mind' (Campbelltown, group 2).

Benefits From The Program

Some of the impacts on the family and life generally as listed above could be seen as expected benefits or directly relating to the goals of the program. But the discussions have revealed that there are many additional benefits that the participants have received from participating in the program.

One participant, with increased confidence gained and with the support and encouragement from the Relationship Manager started her own business. Another participant found a new business client and others have formed networks for bulk buying and developed a register for services and products.

Many participants talked about the benefit of having increased confidence and they can see longer term benefits from the program. Many now aspire to achieve other goals when they complete the program. There is also the sense of increased confidence in the banks or at least a growing confidence in utilizing to a greater extent, mainstream financial facilities.

> ‘I was apprehensive of direct debits in the past but no more. I have greater trust in the banking system’ (Shepparton, group 2).

As mentioned previously, an important part of the program has been the creation of support networks and interaction with others in the program.

> ‘I guess too, just coming to the groups was in some ways like a support group where you met other people who were doing the same things or were having the same issues as you were’ (Shepparton group 1).

> ‘I met some really nice people through the program, and I’ve been in Campbelltown for over ten years now, and so in joining this program I have met people who live in the area that I have never met before (Campbelltown, group 1).

A couple of the participants have since begun volunteer work with the community groups. This is an amazing flow-on effect to the community, where those who are being helped become the helpers.

> ‘I now volunteer for the Benevolent Society with the first 5 year program. I am set up with a family and work with a two year old girl. So that wouldn’t have come about either had I not had contact with the relationship manager’ (Campbelltown, group 1).

Level Of Success

At this point in the program, all but one of the focus group participants (see Table 6) felt they were on track in achieving their goals.

Table 6: Rating of Success to Date

Very Unsuccessful -3	Somewhat Unsuccessful -2	Slightly Unsuccessful -1	Neutral 0	Slightly Successful +1	Somewhat Successful +2	Very Successful +3	Mean Score
0	0	1 (2%)	0	1 (2%)	13 (25%)	37 (71%)	2.61

Some of the participants discussed some of the difficulties they had encountered during the program that impacted their ability to stay on track in their savings plan. Events like a death in the family; unexpected expenses; decrease in paid work; relationship breakdown; ill health; and changes in routine like school holidays could affect the savings behaviour. Those participants who used direct debit facilities found it easier to build a savings habit. Even with experiencing some form of difficulty during the program there were very few who contemplated quitting. Table 7 shows that all participants in the focus groups expect to succeed in the program.

Table 7: Rating of Likelihood of Success

Very Unlikely -3	Somewhat Unlikely -2	Slightly Unlikely -1	Neutral 0	Slightly Likely +1	Somewhat Likely +2	Very Likely +3	Mean Score
0	0	0	0	0	1 (2%)	51 (98%)	2.98

Longer-Term Saving

One hundred per cent of respondents said that thought they would continue to save after the program is finished.

From the discussions it seemed that although the matched funds were the most important factor in attracting the participants to the program, it appeared to become less important as they progressed in their savings. The participants talked about saving as if it was becoming addictive.

> 'Once you have it, it's hard to stop' (Campbelltown, group 2).
>
> 'Regardless of the matching, we've seen that it can be done, so we'll keep doing it' (Campbelltown, group 1).
>
> 'I think for me the flow-on effect is that now that I've done that saving for 12 months, I'll keep it going, even though I won't get it matched' (Shepparton, group 1).
>
> 'I just direct debit to my savings, I'm not going to stop that…regardless of whether or not I know I've got enough money to start them in high school' (Frankston, group 2).

The real indication of success will come from an assessment of the participants' longer-term savings behaviour.

Participants' Opinions On The Implementation Of Saver Plus

Being a new program, the first of its kind in Australia, it was important that we obtain feedback from the participants regarding the implementation processes to assist in recommendations for future programs.

Recruitment Methods

The primary method used to recruit participants was to promote the program through contact with the relevant schools in the catchment area of each pilot location. The Relationship Manager provided the promotional material for the school to distribute. The schools were used only as a conduit for the distribution of material to reach the prospective participants and had no further involvement with the program.

Overall, the participants were satisfied with the recruitment procedure (see Table 8) but made some suggestions for improvement for future programs.

Table 8: Satisfaction with Recruitment Procedure

Very Unsatisfied -3	Somewhat Unsatisfied -2	Slightly Unsatisfied -1	Neutral 0	Slightly Satisfied +1	Somewhat Satisfied +2	Very Satisfied +3	Mean Score
0	0	0	4 (8%)	6 (12%)	20 (39%)	22 (42%)	2.15

The participants thought that more advertising could be used as some of them either did not receive a notice from the school, or did not notice the item listed in the newsletter. Word-of-mouth was a very effective method for recruiting participants – either by informing eligible parents in the first place or by acting as a back-up to the notice and encouraging eligible friends to apply. A number of participants across the groups have suggested that participants from the first phase of the pilot should share their experiences at their respective schools believing that testimonials from those who have already participated would be a very effective method of recruiting eligible participants. Some of these participants actually offered to do this.

From the discussion it seemed that there were varied degrees of support from the local schools and hence different levels of promotion ranging from none at all to personal phone calls from the school to eligible parents. However, the consensus was that the schools are an appropriate vehicle for promoting the program.

The Sign-Up Process

The actual process of signing up the participants happens over the course of two meetings with the Relationship Manager and an appointment with the local ANZ branch to open the account. Once the participants have attended an information session they phone the Relationship Manager for an appointment. The participant meets with the Relationship Manager in order to confirm their eligibility and complete the necessary paperwork.

All participants agreed that once they decided to join the program the sign-up process went smoothly. The majority of participants had no difficulty with the application forms and the small number of participants who needed help were very happy with the assistance provided by the Relationship Managers. A couple of participants did find the questions somewhat personal but again, the skills and obvious empathy of the Relationship Managers ensured the participant felt comfortable.

> 'The [Relationship Manager] approaches everyone on their own level and she knows just how to deal with it person to person individually' (Campbelltown, group 1).
>
> 'When I rang the Relationship Manager and said 'I don't understand', she said, "bring it in and we'll do it together"' (Shepparton, group 1).

All participants felt they were provided with sufficient information during the sign-up process. The only concern that was expressed in a couple of the groups was the need for a confirmation of tax exemption for the savings. This issue has now been addressed and the ATO has confirmed that there will be no tax implications from participating in the program.

Eligibility Criteria

In order to gauge the community response to the Saver Plus eligibility criteria, we asked the participants for their thoughts on its appropriateness. The majority of participants indicated that they were somewhat or very satisfied with the eligibility criteria (see Table 9), although there were a range of suggestions for changes because most of the participants knew of people who they thought could greatly benefit from the program but for one reason or another were not eligible. Table 10 gives a breakdown of the suggestions that were given by the participants.

Table 9: Satisfaction with Eligibility Criteria

Very Unsatisfied -3	Somewhat Unsatisfied -2	Slightly Unsatisfied -1	Neutral 0	Slightly Satisfied +1	Somewhat Satisfied +2	Very Satisfied +3	Mean Score
0	0	3 (6%)	1 (2%)	9 (17%)	10 (19%)	29 (56%)	2.17

Table 10: Suggested Changes for Eligibility Criteria

Suggested change		Example Quotes
Include people with younger children	11 (21%)	*Would be nice if it also covered primary age children.*
Include people with no paid employment	8 (15%)	*Not everyone I know is able to obtain some paid work. The rewards that can be obtained are not only financial but also good for self esteem as well.* *Maybe cut out the paid work section, as some people are able to budget even if they haven't got work.*
Include people (just) not eligible for health care cards	2 (4%)	*Maybe there are families out there that are in the low-income category that just miss out on obtaining a Centrelink card that could be accepted.* *We have just lost our health care card for being 50 cents a week over Centrelink limits. My husband earns $34,000 approx. Extend program to $40,000 earners and under to qualify.*
Income should be calculated annually (eligibility based on annual income only)	2 (4%)	*Include yearly income. Gross income for everyone.*
Change savings goal i.e. not educational	1 (2%)	*To pay any reasonable bill e.g. Electricity, Telstra phone bill*
Other	2 (4%)	*For each child, not per family.* *Criteria could be expanded to cover a variety of low-income earners.*

There were a few participants across a number of groups who were reluctant to talk about Saver Plus to friends who were ineligible to join because they did not want them to feel envious. The most common suggestion was to include people with no employment as the participants felt that this group would still be able to save something albeit smaller amounts.

> 'Even if its $5, it doesn't have to be the full amount does it? Everything is a bonus. And even if they're only able to save $3 a week, if after the year finished and they were still able to save $3 a week for the next 6 years it's still a savings habit. Once it's matched then even if they go on saving $3 a week for the next 10 years, it's $3 a week they wouldn't have saved. And they've still got to find the money to buy kids the things regardless of whether they've got jobs or not' (Shepparton, group 1).

Conclusion

The interim research provides a solid indication that the program Saver Plus is indeed working well towards assisting the participants to achieve a savings goal and develop a savings habit. The key elements of the program – the education, the role of the Relationship Manager and the promise of matched savings have been received enthusiastically and have each been critical to the success of the program.

The program has also delivered additional benefits to the participants that have been important to increasing quality of life and perhaps encouraging longer-term financial inclusion and sustainability. Benefits such as development of support networks; increasing confidence and self-esteem; transference of financial knowledge and skills to their families; and feelings of greater control over their lives have been experienced by the participants in the focus groups. These are the anticipated outcomes of Sherraden's (1991) asset-based policies.

The focus groups have provided feedback and suggestions for future savings programs such as Saver Plus. Many participants felt that there was scope for widening the eligibility criteria to include those with no paid employment and those with primary school aged children. Generally, the participants felt that wider advertising of the program would better promote the program to potential participants. The participants greatly benefited from the education program and the support provided by the Relationship Managers.

The next stage of the research includes a final questionnaire to be completed when the participants receive their matched funds and another round of focus groups that will be conducted approximately 3-4 months later (March / April 2005). These focus groups will address the participants' experiences of the remaining period of time in the program, their savings behaviour since completing the program and their goals and plans for the future.

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