MONEYMINDED IMPACT REPORT

A FOCUS ON THE FINANCIAL WELLBEING OF NEW ARRIVALS IN AUSTRALIA

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Andrew Lloyd

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MoneyMinded

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SUMMARY

MoneyMinded, ANZ's financial education program, has reached over 667,000 people in Australia and across the Asia Pacific region since 2002. The program has played an important role in strengthening the financial capabilities of individuals, households and communities.

In 2019, 63,978 people in Australia participated in MoneyMinded. This report provides evidence that MoneyMinded has improved the financial wellbeing of participants in Australia.

This report is based on data collected from MoneyMinded participants in Australia by an online survey (n = 365), three discussion groups (n = 32) and in-depth interviews with two participants. Discussion group and interview participants were recruited from the Brotherhood of St Laurence's Stepping Stones program in Dandenong, Epping and Flemington.

The outcomes described in this report are based on the 365 surveys completed by MoneyMinded participants in Australia. Most survey respondents (81%) were women, 75% were employed and 25% earned less than AUD$50,000 per annum.

To have financial wellbeing means being able to meet financial commitments and feel financially comfortable to make choices that allow you to enjoy life. It also means having financial resilience for the future, including being able to cope with unexpected expenses. The behaviours and attitudes associated with financial wellbeing are saving, planning, financial confidence, spending restraint and setting goals for the future.

79% of survey respondents reported that MoneyMinded had a positive or very positive effect on their financial wellbeing. The average financial wellbeing scores improved from **55** out of 100 prior to completing MoneyMinded to **73** out of 100 at the time of the survey.

ABOUT MONEYMINDED

Most participants in Australia who undertake MoneyMinded in a group workshop setting complete the MoneyMinded Basics program. The program consists of four 2.5-hour workshops, tailored to cover a range of topics relevant to the participant group. One of MoneyMinded's most useful features is its adaptability to suit the context and needs of participants. The MoneyMinded Basics workshops are as follows:

Workshop 1: Planning and budgeting—includes attitudes to money, SMART goal setting, needs and wants, pay yourself first, spending leaks and spending diary.

Workshop 2: Saving and spending—provides tips on saving money when shopping, budgeting and taking control of finances.

Workshop 3: Everyday banking—provides guidance on various types of bank accounts, types of debt, high-cost credit and scams

Workshop 4: Planning for the future—helps participants to prepare for older age and retirement.

MEETING FINANCIAL COMMITMENTS

After MoneyMinded

- 83% of respondents said they 'rarely' or 'never' ran out of money for food or other regular expenses after MoneyMinded compared to 55% of respondents before MoneyMinded
- 70% were able to pay bills without any difficulty compared to 36% before the program
- 85% were able to pay their bills and meet other financial commitments before the final notice compared to 64% who were able to do so before MoneyMinded.

FEELING FINANCIALLY COMFORTABLE

After MoneyMinded

- 66% of respondents 'always' or 'often' had money left over after paying for necessities compared to 38% before the program
- 69% viewed their household financial situation positively after MoneyMinded compared to 39% before MoneyMinded
- 76% felt more optimistic about their financial situation compared to 38% before MoneyMinded
- 74% felt their finances allowed them to do the things they wanted and enjoy life compared to 42% before the program.

FINANCIAL RESILIENCE

After MoneyMinded

- 51% of respondents said they could cover an unexpected expense with savings compared to 26% before MoneyMinded
- 52% of respondents reported that if their income fell by a third, they could meet all their expenses without needing to borrow for 3 months or more compared to 32% before the program
- 49% of respondents had saved at least 3 month's income compared to 31% before MoneyMinded.

CHANGED BEHAVIOURS AND ATTITUDES ASSOCIATED WITH FINANCIAL WELLBEING

After MoneyMinded

- 82% of respondents reported a saving habit (including 50% who became regular savers) compared to 22% who were unable to save before the program
- 47% of respondents said they had $3,000 or more in savings and 8% had less than $100 in savings compared to 28% who had less than $100 in savings before the program
- 76% of respondents cut back on their weekly or monthly spending to help them save compared to 39% who were doing this before MoneyMinded
- 68% of respondents often or always used a plan or budget to manage their income compared to 33% before MoneyMinded
- 86% of respondents had set a financial goal to achieve in the following 12 months or longer compared to 44% before the program
- 79% of respondents felt confident in making financial decisions compared to 47% before the program
- 87% of respondents felt better able to deal with their financial problems compared to 53% before MoneyMinded.

PERSONAL WELLBEING AND FAMILY OUTCOMES

Because of their participation in the MoneyMinded program and the ensuing changes to behaviours and attitudes about money:

- 75% of respondents reported sharing information they learned in MoneyMinded with others
- 63% of respondents reported feeling better able to provide for their families
- 62% of respondents reported feeling more confident in other aspects of their lives
- 61% of respondents reported feeling less stressed about the future.

1. RESEARCH METHOD AND PARTICIPANT CHARACTERISTICS

Multiple methods were used to collect data from MoneyMinded participants in Australia which included an online survey, three discussion groups and two in-depth interviews (for the case studies).

1.1 ONLINE SURVEY

The survey instrument was developed by RMIT University and included an adaptation of the validated financial wellbeing scale developed by Kempson, Finney and Poppe (2017). This scale has been previously used to measure levels of financial wellbeing in Australia and New Zealand (ANZ, 2018a, 2018b) and for population groups such as older Australians (Russell, Kutin, Stewart & Cai, 2018) and Saver Plus participants (Russell, Kutin & Stewart, 2018). The survey also included items about financial behaviours that were specifically targeted to participants in the MoneyMinded program such as saving, planning and budgeting, setting goals and credit and debt.

The survey used a retrospective pre-test method to assess changes in participants' saving behaviour and financial wellbeing after completing the MoneyMinded program. The survey asked participants to think about what their financial skills, behaviours, and financial situations were like before enrolling in MoneyMinded and after completing the program.

The weblink to the survey was sent by ANZ to MoneyMinded facilitators who then forwarded the survey to program participants (email invitations were successfully delivered to 3,280 facilitators)[1]. ANZ also sent the survey link directly to people who had registered to MoneyMinded Online between 1 June 2017 and 3 June 2019 (email invitations were successfully delivered to 1,423 people).

Tables 1 to 3 summarise the characteristics of the 365 people who completed the survey (i.e., they completed all financial wellbeing scale items). 36% had completed MoneyMinded in the previous 6 months, 27% in the last 6 to 12 months, 18% between 12 months and 2 years ago, 12% more than 2 years ago and 7% could not recall.

Of the 365 survey respondents:

- 81% were women
- 53% were aged between 18 and 39 years
- 20% had completed Year 12 or less education
- 38% had completed a university degree or higher
- 51% were married or in a de facto relationship
- 16% were sole parents
- 13% had a long-term health condition or disability
- The average household size was 3 people, comprising 2 adults and 1 child
- 51% own a home or pay a mortgage
- 75% were employed
- 24% had household income less than AUD$50,000 per year
- 24% had household income between $50,000 and $74,999
- 58% had a regular monthly income.

1. Information provided by ANZ.

TABLE 1. PERSONAL AND HOUSEHOLD CHARACTERISTICS OF ONLINE SURVEY RESPONDENTS (N = 365)

Characteristics		%
Gender	Male	19
	Female	81
Age	18–29	28
	30–39	25
	40–49	22
	50–59	16
	60–69	7
	70 years and older	2
Highest level of education completed	Secondary (Year 11 or below)	10
	Secondary (Year 12)	10
	Technical institute	17
	On-the-job or other training	3
	Undergraduate certificate or diploma	22
	University degree, masters or doctorate	38
Household type	Live alone	12
	Single—in shared house	13
	Single parent—children at home	16
	Married/de facto couple—children at home	32
	Married/de facto couple—no children at home	19
	Other	8

TABLE 1 CONTINUED

Characteristics		%
Number of children under 18 years in household	0	57
	1	18
	2	15
	3	8
	4 or 5	2
Number of adults in household (including participant)	0	14*
	1	21
	2	49
	3	8
	4	6
	5 to 7	2
Own home or paying rent	Own home outright	16
	Own home and paying a mortgage	35
	Pay rent to private landlord	33
	Pay rent to government agency	4
	Pay rent or board to someone else in the home	7
	Other arrangement	5
Languages spoken at home	English only	80
	Other languages (e.g., Vietnamese, Arabic)	20
Aboriginal or Torres Strait Islander descent	Yes	4
	No	96

*This figure is a result of respondents misunderstanding the question. They may have read it as how many adults *in addition* to the respondent instead of *including* the respondent.

Photo credit: Andrew Lloyd

TABLE 2. INCOME AND EMPLOYMENT CHARACTERISTICS OF ONLINE SURVEY RESPONDENTS (N = 365)

Income or employment		%
Employment	Working full time	47
	Working part time	28
	Currently looking for work	4
	Retired	3
	Tertiary student	6
	Looking after the home or caring for family	3
	Unable to work because of ill-health or disability	2
	Other	7
Disability or long-term health condition	Yes	13
	No	87
Annual household income (AUD$)	Less than $25,000	9
	$25,000 to $49,999	15
	$50,000 to $74,999	24
	$75,000 to $99,999	13
	$100,000 to $124,999	12
	More than $125,000	15
	Prefer not to say	12
Annual personal income (AUD$)	Less than $25,000	20
	$25,000 to $49,999	21
	$50,000 to $74,999	31
	$75,000 to $99,999	10
	$100,000 to $124,999	5
	More than $125,000	4
	Prefer not to say	3
Income regularity	My/our household income is very predictable and stable from month to month	58
	My/our household income is generally predictable but can vary a bit from month to month	34
	My/our household income is not that predictable and can vary considerably from month to month	8

Survey respondents accessed MoneyMinded online (44%), as a workshop (41%), as part of a one-to-one session with a MoneyMinded facilitator (6%) or a combination of these activities (9%).

TABLE 3. HOW SURVEY RESPONDENTS ACCESSED MONEYMINDED

	Number	%
Online only	160	44
Workshop only	150	41
One-to-one session(s) only	22	6
Online + workshop	17	5
Online + one-to-one session(s)	5	1
Workshop + one-to-one session(s)	4	1
Online + workshop + one-to-one session(s)	7	2
Total	365	100

1.2 DISCUSSION GROUPS AND CASE STUDIES

Three discussion groups were held in Melbourne. Participants were part of the Brotherhood of St Laurence Stepping Stones program[2], a micro-enterprise training program designed for women from refugee, migrant and asylum seeker backgrounds. The program provides mentoring, training and support for women interested in starting their own business. MoneyMinded is included as one element of this 3-month program. The Stepping Stones program has resulted in the launch of several businesses[3].

Financial education plays a necessary and important role in the settlement of migrants and new arrivals. Understanding and being able to confidently and safely participate in a new financial system underpins all other activities needed to begin a new life in a host country. Finding housing, employment, enterprise creation or education pursuits depend upon the ability to use money effectively. Being able to set and achieve goals, save and have control of their financial lives will alleviate stress for migrants and new arrivals and facilitate a smooth integration into the community.

This report particularly highlights the financial capability needs and issues faced by migrants and new arrivals in Melbourne and the effect of MoneyMinded on their financial lives.

Discussion group participants completed the MoneyMinded program less than 6 months ago (69% n = 22), 6 to 12 months ago, (25% n = 8) and the remaining 6% (n = 2) more than one year ago.

Two case study interviews were conducted which included a detailed exploration of the participants' financial journey and the impact of MoneyMinded on their lives.

2. See https://www.bsl.org.au/services/refugees-immigration-multiculturalism/stepping-stones/.
3. See https://www.bsl.org.au/services/refugees-immigration-multiculturalism/stepping-stones/business-directory/.

Tables 4 and 5 summarises the personal and household characteristics of the discussion group participants.

TABLE 4. PERSONAL AND HOUSEHOLD CHARACTERISTICS OF DISCUSSION GROUP PARTICIPANTS (N = 32)

Characteristics		% (n)
Gender	Male	-
	Female	100 (32)
Age	18–29	13 (4)
	30–39	31 (10)
	40–49	44 (14)
	50–59	6 (2)
	60–69	6 (2)
Household type	Live alone	3 (1)
	Single—in shared house	6 (2)
	Single parent—children at home	9 (3)
	Married/de facto couple—children at home	66 (21)
	Married/de facto couple—no children at home	13 (4)
	Other	3 (1)
Employment	Working full time	3 (1)
	Working part time	22 (7)
	Currently looking for work	35 (11)
	Retired	3 (1)
	Tertiary student	6 (2)
	Looking after the home or caring for family	28 (9)
	Other	3 (1)
Of Aboriginal or Torres Strait Islander decent	Yes	-
	No	100 (32)
Languages spoken at home	English only	3 (1)
	Other languages	97 (31)
Other languages spoken at home	Arabic	13 (4)
	Tamil	13 (4)
	Comorian and French	6 (2)
	Dari	6 (2)
	Hindi	6 (2)
	Urdu	6 (2)
	Sinhalese	6 (2)
	Spanish	6 (2)
	Other languages (French-Togo, Kurdish, Khmer, Macedonian, Malay, Persian, Somali, Tswana, Hebrew, Indonesian)	32 (10)
	Not stated or only English	6 (2)

TABLE 5. PERSONAL AND HOUSEHOLD FINANCIAL STATUS OF DISCUSSION GROUP PARTICIPANTS (N = 32)

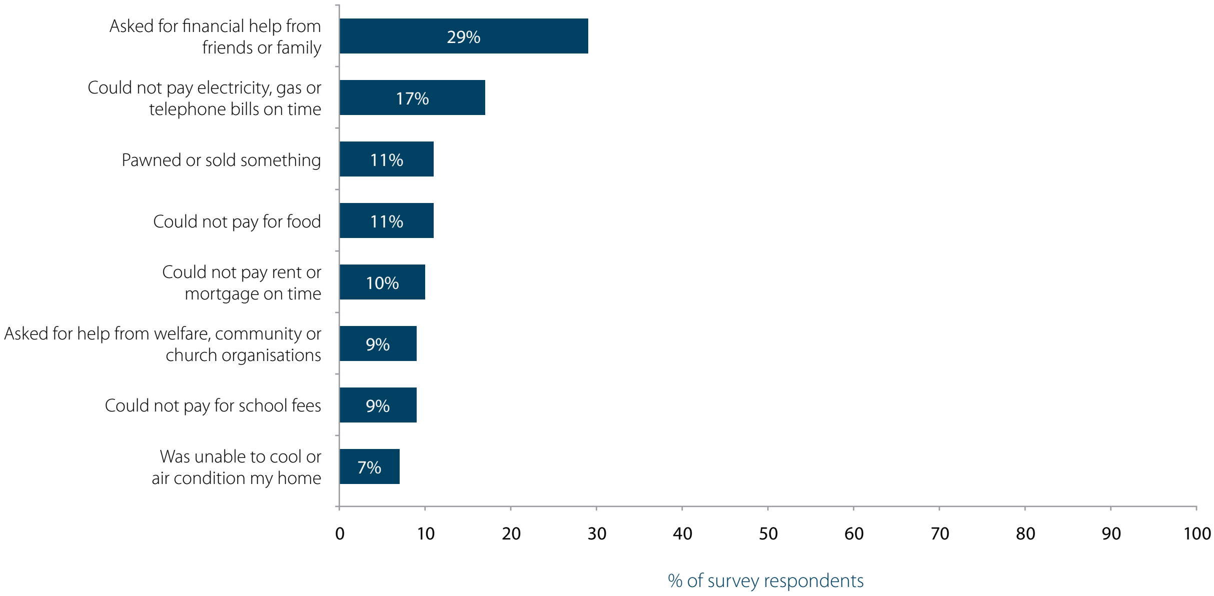
Characteristics		% (n)
Annual household income (AUD$)	Less than $25,000	38 (12)
	$25,000 to $49,999	16 (5)
	$50,000 to $74,999	6 (2)
	$75,000 to $99,999	16 (5)
	$100,000 to 124,999	3 (1)
	Prefer not to say or left blank	21 (7)
Annual personal income (AUD$)	Less than $25,000	53 (17)
	$25,000 to $49,999	13 (4)
	$50,000 to $74,999	0 (0)
	$75,000 to $99,999	3 (1)
	Prefer not to say or left blank	31 (10)
Households main source of income	Wages or salary	44 (14)
	Self employed	3 (1)
	Government benefits	22 (7)
	Other	22 (7)
	Do not know or left blank	9 (3)

1.3 FINANCIAL SITUATION OF MONEYMINDED PARTICIPANTS

A measure of financial stress was used to record the financial difficulties the survey respondents experienced in the year prior to the survey (Australian Bureau of Statistics, 2016). Survey respondents were asked to select as many indicators as applied to their financial situation in the past 12 months (343 people answered these questions).

Combining the number of financial stressors experienced in the previous 12 months, resulted in the finding that 73% of respondents experienced 'low financial stress' (none or one indicator reported), 23% of respondents reported 'moderate stress' (two to four stress indicators) and 4% of respondents reported 'high stress' (five to eight indicators).

FIGURE 1. INDICATORS OF FINANCIAL HARDSHIP EXPERIENCED IN THE LAST 12 MONTHS (RESPONDENTS WERE ABLE TO SELECT MORE THAN ONE ANSWER, N = 343)



2. CULTURAL CONSIDERATIONS OF MONEYMINDED PARTICIPANTS

Cultural and social attitudes influence people's views and beliefs about money. Discussion group participants spoke about how moving to a different country created conflicting feelings when they found it hard to balance their own needs along with those of their families back home and other cultural obligations.

Many Muslims completely avoid loans as the interest charged is forbidden by their religion. This created many complications around their use of financial institutions. Cultural considerations revolved around remittances.

> "We're all migrants, so we all have homes, homes we have to go back to. So, it's actually a bit difficult for someone who doesn't have their family here, so it's actually part of our life to constantly save to go back home and visit parents. It's not a holiday, it's something we have to do." (Participant, discussion group)

Discussion group participants expressed varied feelings about remittances. For some, sending money to their family in their home country was viewed not so much as an 'obligation', but a desire to repay family who had supported, cared for or raised them. For others, supporting family back home was an additional financial pressure that they felt was underappreciated. Participants spoke about how their family members outside Australia did not understand the daily struggles and costs associated with life in Australia, such as the high cost of rent and assumed that life in Australia must be easy.

Discussion group participants expressed feeling considerable anxiety and stress if they were unable to help someone when they asked for money or could not afford to send money back home.

> "You can't say you feel sorry when you say 'no'. You feel bad. You don't know what's going to happen to that person, and then something bad, you're thinking 'oh, it's because of me. I didn't give', and then when you give, and then after you say, 'I would need that money for myself because now I am stuck'." (Participant, discussion group)

Participants with family back in their home country told us they had to provide financial assistance to all their relatives, rather than only immediate family members, and this often left them feeling financially strained in meeting their own needs.

> "I just give in [to family requests], and then later on I'll start stressing. Because you keep giving to other people, and then get behind in your own bills, 'oh my God! What did I do to myself?' I want money to do things for myself, or the kids, and I'm stuck, because to give to the others." (Participant, discussion group)

3. CHANGING FINANCIAL ATTITUDES AND BEHAVIOURS

MoneyMinded aims to strengthen participants' financial knowledge, skills and capabilities to contribute towards improving their financial wellbeing.

The research literature shows that the financial behaviours and attitudes most important to financial wellbeing include:

- Active saving - identified as one of the most important behaviours contributing to financial wellbeing (Greenberg & Hershfield, 2019; Kempson et al., 2017).
- Not borrowing for everyday expenses
- Spending restraint
- Confidence in money management skills and;
- People's belief in their ability to influence their own financial future.

These behaviours and attitudes can help an individual to meet their financial commitments, feel financially comfortable and to build resilience for the future (ANZ, 2018a; Comerton-Forde et al., 2018; Kempson et al., 2017; Russell, Stewart & Cull, 2015).

The survey measured changes in respondents' money management behaviours and attitudes after completing MoneyMinded. Respondents' financial wellbeing was measured, and they were asked for their views on the effect MoneyMinded had on their financial wellbeing.

Photo credit: James Braund

3.1 ACTIVE SAVING

Saving has been found to be the most important financial behaviour that contributes to financial wellbeing (ANZ, 2018a; Comerton-Forde et al., 2018; Kempson et al., 2017; Muir et al., 2017). Developing a saving habit can help to cultivate other behaviours and attitudes that promote financial wellbeing. For example, saving increases confidence, increases future orientation, helps to achieve financial goals and builds resilience for the future.

Survey results show there was a significant increase in the proportion of participants who were able to save after completing MoneyMinded. Prior to completing MoneyMinded, 22% of survey respondents reported they were unable to save (see Table 6). After MoneyMinded, this fell to 3%. After MoneyMinded, 82% of respondents became regular savers (compared to 44% before the program).

Respondents also reported increased amount of savings. Having savings contributes to resilience, reduced stress and improves a sense of security. The ANZ (2018) financial wellbeing study showed that having $1,000 in savings can predict a higher financial wellbeing score. After MoneyMinded, 47% of respondents said they had $3,000 or more in savings. Before MoneyMinded 30% had more than $3,000 in savings, after MoneyMinded this increased to 47%. 28% of respondent had less than $100 in savings before MoneyMinded and after the program only 8% reported having less than $100 in savings (see Table 7).

"I think more about the long-term effect of consistent savings." (Survey respondent)

TABLE 6. WHICH OF THE FOLLOWING BEST DESCRIBES YOUR SAVING BEHAVIOUR?

	Before	After	Change
I save a set amount on a regular basis	16%	50%	↑ **34%**
I save what is left over after expenses on a regular basis	28%	32%	↑ **4%**
I save odd amounts when I can	33%	14%	↓ **19%**
I am unable to save	22%	3%	↓ **19%**
Don't know	1%	1%	–
Total	**100%**	**100%**	

TABLE 7. ESTIMATED TOTAL AMOUNT IN SAVINGS

	Before	After	Change
Less than $100	28%	8%	↓ **20%**
$100 to $499	19%	16%	↓ **3%**
$500 to $999	11%	9%	↓ **2%**
$1,000 to $2,999	11%	18%	↑ **7%**
$3,000 or more	30%	47%	↑ **17%**
Don't know	1%	2%	↑ **1%**
Total	**100%**	**100%**	

"I have identified needs and wants and developed longer-term savings goals that are a lot more achievable than I imagined." (Survey respondent)

"Having control over my finances and having enough money to pay for everything I need—bills, mortgage, lifestyle, etc. A good balance between spending and saving." (Survey respondent)

Changes in behaviour were also evident, both for the individual and the family. Recognition and understanding of habits that worked against their efforts to save were crucial in transitioning into beneficial practices.

"Something I've shared from this program to my friends and family is that take out the savings before you spend. That shouldn't be the last thing on your mind. It should be the first thing when you get." (Participant, discussion group)

3.2 SPENDING RESTRAINT

Spending restraint has also been identified as a key behaviour that contributes to financial wellbeing (Kempson et al., 2017). This behaviour incorporates traits such as not being impulsive, being mindful of needs and wants and generally living within ones means.

Before MoneyMinded, many participants made purchases on impulse. Many had formed habits around shopping for something to do, buying more than they had planned.

"When they say, 'I just want to go and have a look', and then when I go and have a look, I then buy it sometimes." (Participant, discussion group)

After MoneyMinded, discussion group participants shared stories about how MoneyMinded gave them an awareness that helped curb impulsive shopping habits. One participant said that, prior to MoneyMinded, when she saw things on sale such as clothes, she found it very difficult to resist buying them, even if they were not her size. After MoneyMinded, she cut down the number of times she visits shopping centres and employs her 'needs' and 'wants' framework to help reduce her impulsive shopping tendencies.

Discussion centred on how impulsive shopping was often triggered by emotions. One participant described how shopping brought an immediate satisfaction, that purchasing anything on sale was too good to resist as it would bring that reward and she thought she was 'saving' money because it was on sale. However, participants would then feel anxious and stressed because the impulsive shopping would leave them with little money to pay bills and meet other financial commitments.

Following MoneyMinded, 76% of survey respondents were more likely to save by cutting back on their monthly or weekly spending compared to 39% before MoneyMinded (see Table 8).

TABLE 8. I CUT BACK ON MY WEEKLY OR MONTHLY SPENDING IN ORDER TO SAVE

	Before	After	Change
Strongly agree or agree	39%	76%	↑ **37%**
Neither agree nor disagree	32%	16%	↓ **16%**
Strongly disagree or disagree	28%	7%	↓ **21%**
Don't know	1%	1%	–
Total	**100%**	**100%**	

One discussion group participant shared how she cut down on her spending on bottled water.

> [After MoneyMinded] "I buy boxes [of bottled water], which is like the same price as just one bottle from café. … and so actually in 3 months I saved more than $300, just because of water bottles, which is simple thing. And I didn't stop drinking water, I just changed the way I bought it … which is just really simple stuff." (Participant, discussion group)

3.3 DISTINGUISHING BETWEEN NEEDS AND WANTS

One of the most powerful MoneyMinded lessons that participants take away from the program is the ability to think about and distinguish between needs and wants. Having a framework that assists participants to prioritise their spending—a foundation for planning and budgeting—gives them an increased sense of control over their finances.

MoneyMinded discussion group participants from culturally and linguistically diverse (CALD) backgrounds reported a range of financial needs in addition to living expenses. The discussion groups comprised women from several different cultural backgrounds. They discussed the financial implications of living in a different country to their family. It was important to these participants to be able to visit their home country as often as they could afford. Without regular visits 'home' their mental health and wellbeing was reported to deteriorate.

The needs raised by participants in the discussion groups can be categorised as either: individual, family or cultural needs. Each category plays a key role in supporting participant's financial wellbeing.

- **Individual needs** included the 'pay yourself first' concept. In recognising that saving was just as important as paying other bills, participants discovered the flow-on benefits that came with developing a saving habit.

> "What I learned from this program is you can still spend on you what you want and still save because you will take out the savings initially and then work out your expenses and make sure that you have sufficient" … (Participant, discussion group)

- **Family needs** featured consistently in discussion about participants' needs and wants. Needs included meeting expenses for their children's education but can also extend to meeting the needs of extended family. Sending remittances to family overseas was commonly expressed as an important need.

> "In my case, I can tell you that I have many relative. My mum's brothers are like 10, but three or four of those 10 support me when I was in university, so now I support them." (Participant, discussion group)

- **Cultural needs** flowed on from family needs for participants in the discussion groups. This included continuing with customs from their home country, contributing to community events and assisting family members where possible.

3.4 PLANNING AND BUDGETING

Planning and budgeting are important topics in the MoneyMinded workshops. Creating a budget to manage income and expenses helps individuals to avoid running out of money before their next income payment is due. It also helps in knowing how much money can be devoted to achieving their goals. There was considerable discussion in the groups about how, after MoneyMinded, participants were better able to balance their needs and wants by having a plan and budget in place.

> "Before MoneyMinded I just used to spend, no budget at all. And there was no way of me following up on my spending. I didn't keep receipts. I would just go to the store and buy." (Participant, discussion group)

Prior to MoneyMinded, 20% of survey respondents had never budgeted or planned how to use their income. After MoneyMinded, only 4% never used a plan or budgeted. After MoneyMinded, the proportion of respondents who often or always used a budget increased from 33% to 68% (see Table 9).

TABLE 9. FOR YOUR REGULAR INCOME, HOW OFTEN DO YOU MAKE A PLAN OR A BUDGET?

	Before	After	Change
Never	20%	4%	↓ **16%**
Rarely	21%	6%	↓ **15%**
Sometimes	26%	21%	↓ **5%**
Often	16%	31%	↑ **15%**
Always	17%	37%	↑ **20%**
Don't know	1%	1%	–
Total	**100%**	**100%**	

Having a future orientation is an important trait for financial wellbeing. After MoneyMinded, more respondents reported planning their saving and spending over a longer period. After MoneyMinded, the proportion of respondents that planned up to 1 year into the future increased from 16% to 29%, and the proportion increased by 12% for those who plan up to 2 years into the future. Before MoneyMinded, 23% said they do not plan at all. This fell to 2% after MoneyMinded (see Table 10).

TABLE 10. HOW FAR AHEAD DO YOU PLAN YOUR SAVINGS AND SPENDING?

	Before	After	Change
I don't plan	23%	2%	↓ **21%**
Over the next week or fortnight	31%	17%	↓ **14%**
Over the next few months	22%	32%	↑ **10%**
Over the next year	16%	29%	↑ **11%**
Over the next 2 or more years	7%	19%	↑ **12%**
I don't know	1%	1%	–
Total	**100%**	**100%**	

Respondents also told us of how they shared lessons on budgeting with others.

> "I have shared the budget program and how to complete it yourself. Information on completing your own credit check and getting flyers for how to budget." (Survey respondent)

3.5 SETTING GOALS

For many participants, saving was motivated by setting a meaningful goal.

> "I'm an accountant. I know that I needed to save, but I couldn't do it because I didn't have a goal. So, since attending this workshop, I have learned that for you to be able to make that saving, you have to set a goal. A realistic, achievable goal. It's because you have a target, like you look to reach that." (Participant, discussion group)

By using the tools of active saving, distinguishing between needs and wants, planning and budgeting income and expenditure, participants found they had the capacity to set and achieve financial goals.

MoneyMinded helps participants to identify goals using the SMART[4] goal principles. Discussion group participants shared examples of the goals they set, such as further education, saving money to start a business, putting aside money each week towards a plan, saving for holidays to visit family, paying bills on time, or saving to afford appliances. Participants responded positively to early successes, leading to progressively larger goals.

> "My goal was to save money to start my business and I did that. I registered my business. I bought a domain name and I'm ready to start." (Participant, discussion group)

4. SMART goals are specific, measurable, achievable, realistic and time-based.

An important goal that reflects the additional financial needs of discussion group participants was to save for travel to visit relatives in their home country, both to meet family and for cultural needs.

Among survey respondents, 86% had set a financial goal to achieve in the following 12 months compared to 44% before MoneyMinded (see Table 11).

TABLE 11. I HAVE A FINANCIAL GOAL TO ACHIEVE IN THE NEXT 12 MONTHS

	Before	After	Change
Strongly agree or agree	44%	86%	↑ **42%**
Strongly disagree or disagree	30%	5%	↓ **25%**
Neither agree nor disagree	25%	8%	↓ **17%**
Don't know	1%	1%	–
Total	**100%**	**100%**	

After MoneyMinded, participants were immediately able to set goals such as setting aside small amounts of money, thereby forming regular savings habits. By sticking to budgets and saving what they felt comfortable with, many could pay bills immediately upon their receipt, something they had previously struggled with.

Many participants worked to create goals with their families, working towards a united goal such as a trip to visit family. For others, mid-term goals were starting businesses.

> "My goal was to save money to start my business and I did that. I registered my business. I started budgeting, spending even less. Instead of going to the supermarket, I ordered my groceries online because when I go to the store, I just buy everything." (Participant, discussion group)

Participants also set longer-term goals such as saving for their children's education. Many participants sought financial stability, security and general peace of mind, feeling that this was achievable if they worked hard. For some, the goal of owning their home was desirable, yet few actively planned for it. When speaking of purchasing homes, most felt it was out of their reach. They felt they would not be eligible for a mortgage, or if they had one it would put them in a financially precarious position. One participant said that they felt capable of saving for a couple years for a deposit on a home but would feel additional stress for monthly payments afterwards. For them, owning a home represented security and supporting their families.

> "You put money away for the deposit, and maybe a little bit more, but to see if in the future I can afford to buy a house, and to feel okay that I can pay, because I don't like to have any debts … I wouldn't be scared if I own my house …" (Participant, discussion group)

3.6 USE OF PAYDAY LENDERS

One of the goals of MoneyMinded is to improve financial resilience, thereby reducing the need to access high-cost loans. Accessing loans through payday lenders or pawnbrokers is a risky strategy. However, when people are facing financial hardship and are ineligible for mainstream products, they are choice constrained and feel there are no other options (Banks, Marston, Russell & Karger, 2015). The MoneyMinded program includes information about 'dangerous debt' and the risk inherent in payday loans.

After MoneyMinded, there was a marked reduction in the number of survey respondents who used payday lenders or pawn brokers to secure loans (see Table 12).

TABLE 12. NUMBER OF TIMES TAKEN OUT A LOAN USING A PAYDAY LENDER OR PAWNBROKER

	Before	After	Change
None	81%	90%	↑ **9%**
1 to 3 times	15%	5%	↓ **10%**
4 or more times	4%	4%	–
Don't know	*	1%	↑ **1%**
Total	**100%**	**100%**	

* less than half a %.

19% of survey respondents had used payday lenders before MoneyMinded compared to 9% after MoneyMinded.

> "It was tremendously eye-opening and really gave me the confidence to stop relying on debt to get by. I was even able to embrace a new career, which brings me so much joy in helping other people." (Survey respondent)

3.7 FINANCIAL CONFIDENCE

Having confidence in managing one's finances contributes to good financial wellbeing (Fernandes, Lynch & Netemeyer, 2014; Tang & Baker, 2016). Confidence comes from having the right knowledge, experience in using it and knowing where to find resources when making financial decisions. All these factors comprise financial capabilities which in turn contribute to financial wellbeing.

Participants in the discussion groups commonly reported becoming more confident in their financial lives.

> "MoneyMinded opened my eyes, it gave me the urge to learn more, knowledge empowers us." (Participant, discussion group)

Increased awareness of their spending patterns, identifying spending leaks and having the capacity to set financial goals made them feel more in control of their money.

> "MoneyMinded made me feel like if I have a goal or a dream, I can work hard and make it come true by making your goals and then sticking to it." (Participant, discussion group)

Survey respondents reported increased levels of confidence after MoneyMinded when they reflected on how they felt when making financial decisions and planning for the future (see Table 13).

TABLE 13. CONFIDENCE IN MAKING FINANCIAL DECISIONS

	Before	After	Change
Confidence in ability to make decisions about financial products and services*	47%	79%	↑ **32%**
Confidence in ability to plan for your financial future*	41%	79%	↑ **38%**
I am able to deal with my financial problems* *	53%	87%	↑ **34%**

* 'quite confident' or 'very confident', * * 'agree' or 'strongly agree'.

79% of respondents felt confident in making decisions about financial products and services after MoneyMinded compared to 47% before the program. Before MoneyMinded, 41% felt confident about planning for their future compared to 79% after the program. Survey respondents also felt that they were better able to deal with their financial problems (53% before compared to 87% after MoneyMinded).

Becoming familiar with and understanding the Australian financial system was a challenge discussed in each of the discussion groups. For many discussion group participants, English is a second language. Additionally, many participants expressed low levels of trust in financial institutions and the information found online. These factors compounded the difficulties experienced in locating assistance and make courses such as MoneyMinded extremely important to new arrivals.

> "Even though we can speak English, sometimes you won't know exactly the description of that word, or what you want to say, so sometimes you have to tell the whole story, so that they can understand us. It happened to me for the tax return, so I didn't know about the tax return. Even for Centrelink … I didn't know that I was entitled to parenting payments …" (Participant, discussion group)

After MoneyMinded, participants had a better understanding of the banking system and financial products.

> "After taking [MoneyMinded], I had more knowledge, like, how to spend and then save, that's the thing. Also, when we have a credit card … [we] think that it's our money and then we just go, oh, I have a card, I can spend it, no problem. But later when we have to repay, that's the problem. So those things I came to know—it was a good program." (Participant, discussion group)

3.8 ATTITUDES TO MONEY

MoneyMinded often triggered a shift of participants' attitudes towards having a positive relationship with money. Economic insecurity was reported to cause or exacerbate feelings of anxiety and stress. By helping participants put strategies in place that helped them take control of their money, many reported feeling relief and less worry.

Before MoneyMinded, many participants had negative attitudes towards money, including the view that money was often linked to unhappiness. One participant told us that she was significantly happier without money.

> "Without money, it was good, to be honest. Ask everyone. The more you have, the more you spend, the more there are needs. The more needs in the household." (Participant, discussion group)

After MoneyMinded, many discussion group participants reported that they had a more positive view of money and saw it as a tool to improve their lives, rather than a burden leading to more problems. Participants reported that by cutting back on expenses, keeping an eye on their spending and thinking twice before purchasing, they felt more secure and confident.

After MoneyMinded, survey respondents' attitudes to money had changed in positive ways (see Table 14).

TABLE 14. ATTITUDES TO MONEY

	Before	After	Change
I believe the way I manage my money affects my future*	77%	96%	↑ **19%**
I find it more satisfying to spend money than to save it for the long term*	26%	19%	↓ **7%**
I am impulsive and tend to buy things even when I can't really afford them**	34%	10%	↓ **24%**

* 'agree' or 'strongly agree', ** 'fits very well' or 'fits fairly well'.

After MoneyMinded, 19% more respondents believed that how they managed money affected their future. There was a 7% decrease in the number who reported that they found spending to be more satisfying than saving. There was also a reduction in the proportion (24%) of survey respondents who indicated that they make impulsive purchases.

4. PERSONAL WELLBEING AND FAMILY OUTCOMES

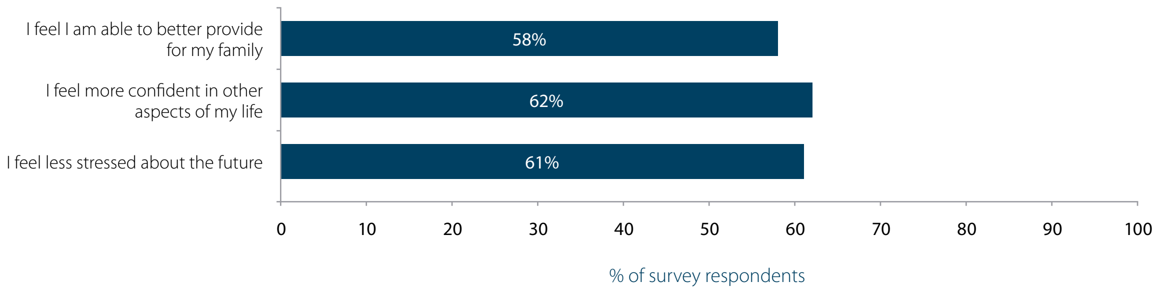
MoneyMinded had a positive impact not only on participants, but also on the lives of their families and friends. Most survey respondents (75%) reported sharing what they learned in MoneyMinded with other people.

Survey respondents reported that MoneyMinded helped them feel more confident in other areas of their lives (62%). Many reported feeling better able to provide for their family (63%), and feeling less stressed about the future (61%) because of having participated in MoneyMinded (see Figure 2).

Many participants had learned invaluable skills from their parents around saving and spending, and this tradition carries on to the next generation. Participants were eager to involve family and friends, sharing what they learned and encouraging each other. They also saw the power of socialisation and found it easier to be mindful of their spending when they mixed with friends and peers who were similarly thrifty. These friends supported each other, borrowing anything they needed from each other rather than making expensive purchases.

> "I feel like the thing that bothered me the most was when I am on my own. When I am with friends, they're also money minded. When I'm alone I think, 'oh, I should just buy it', but when I'm with my friends, they're like 'is that even worth it? I've already got one. So, you can just borrow it'. They couldn't make an impulse buy, it's not worth it." (Participant, discussion group)

FIGURE 2. WELLBEING OUTCOMES FOR RESPONDENTS ('AGREE' OR 'STRONGLY AGREE')



5. FINANCIAL WELLBEING FOR MONEYMINDED PARTICIPANTS IN AUSTRALIA

Financial wellbeing is a combined psychological and financial state where people feel satisfied or content with their financial lives (Arnold & Rhyne, 2016; Kempson & Poppe, 2018; Muir et al., 2017). The major components of financial wellbeing are being able to meet financial commitments, feeling financially comfortable and able to enjoy life, and having financial security or financial resilience for the future (Kempson & Poppe, 2018).

Financial wellbeing is influenced by a variety of factors, some of which are beyond the control of individuals. The social, cultural and economic conditions in which people live have a significant effect on the financial behaviours and outcomes of individuals and households and hence, financial wellbeing.

Three methods were used to measure financial wellbeing:

1. Kempson et al.'s (2017) 11-item scale
2. Participants' self-rating of financial wellbeing
3. Participants were asked an open-ended question 'What does financial wellbeing mean to you?'

The Kempson et al. (2017) financial wellbeing scale was incorporated into ANZ's national financial wellbeing survey in Australia (ANZ, 2018a) and in New Zealand (ANZ, 2018b), for older Australians (Russell, Kutin, Stewart et al., 2018) and in a sample of Saver Plus[5] participants (Russell, Kutin & Stewart, 2018). Scores ranged between 0 and 100, a score of 100 representing the highest level of financial wellbeing.

The ANZ (2018a) study of the general population in Australia found that the average financial wellbeing score was 59 out of 100. The subcomponent scores out of 100 scores were 70 for meeting commitments, 55 for feeling comfortable and 53 for financial resilience (ANZ, 2018a).

5.1 FINANCIAL WELLBEING SCORES

Overall, respondents' average financial wellbeing scores improved significantly after undertaking the MoneyMinded program.

Before MoneyMinded, respondents' average financial wellbeing score was **55** out of 100. After MoneyMinded, the average score increased to **73 out of 100.** Comparisons with the Australian general population and subcomponent scores are shown in Table 15.

Before they completed the MoneyMinded program, participants had lower scores than the Australian general population for meeting commitments, financial resilience and total financial wellbeing.

Scores for feeling financially comfortable were the same (55 points out of 100) as the national figure. After completing MoneyMinded, participant financial wellbeing scores were higher than the scores for the general population in all sub-components and overall.

TABLE 15. AVERAGE FINANCIAL WELLBEING SCORES FOR MONEYMINDED PARTICIPANTS IN AUSTRALIA

Australian MoneyMinded participants (n = 365)	Meeting commitments	Feeling financially comfortable	Financial resilience	Total financial wellbeing score
	Score			
Before MoneyMinded	66	55	44	55
After MoneyMinded	83	74	63	73
National (ANZ, 2018a)	70	55	53	59

5. Saver Plus is ANZ's saving and financial education program. See https://www.anz.com.au/about-us/sustainability-framework/financial-wellbeing/saver-plus/.

The higher scores may be 'real' – the most likely scenario, but they could also reflect the positive general views towards MoneyMinded. This can occur after participants experience a program that makes tangible differences to their lives and the positivity participants feel is reflected in subsequent ratings of the program. Additionally, studies that measure knowledge, behaviours and attitudes about topics such as money can sometimes be influenced by what is known as 'socially desirable responses' (Kelly, 2015) which can potentially over- or under-estimate results of surveys that use self-reported responses (de Vaus, 2014; Krosnick, 1999). While the results in this report give a compelling and consistent evaluation of the outcomes delivered by MoneyMinded, caution should always be exercised when interpreting changes in the financial wellbeing scores or in comparing them to a national average.

The difference between the 'before' and 'after' scores for the three sub-components and the overall financial wellbeing scores were statistically significant—all participants reported an improvement in their financial wellbeing.

Before MoneyMinded:

- The average total financial wellbeing score was 55. This increased to 73 after MoneyMinded
- The average 'meeting commitments' score was 66. This increased to 83 after MoneyMinded
- The average 'feeling financially comfortable' score was 52. This increased to 74 after MoneyMinded
- The average 'financial resilience' score was 44. This increased to 63 after MoneyMinded.

Following is a summary of the indicators within each of the components: meeting commitments, feeling financially comfortable and having financial resilience.

5.2 MEETING COMMITMENTS

MoneyMinded helped survey respondents to better meet their financial commitments. This component includes not running short of money and being able to pay bills and meet other expenses on time.

Before MoneyMinded:

- 55% of survey respondents reported 'rarely or never' running out of money for food or other regular expenses compared to 83% after MoneyMinded
- 36% of respondents were able to pay bills and credit commitments 'without any difficulty' compared to 70% after MoneyMinded
- 64% of respondents said they could readily pay their bills and other financial commitments at the final notice compared to 85% after MoneyMinded.

5.3 FEELING FINANCIALLY COMFORTABLE

Before MoneyMinded, 38% of respondents would 'often or always' have money left over after paying for necessities compared to 66% after MoneyMinded.

Respondents were asked how they viewed their household financial situation before the program. 39% of respondents reported it to be 'quite good' or very good'. After MoneyMinded, 69% of respondents viewed their financial situations optimistically ('quite or very good').

Further, 76% felt 'quite confident or very confident' about their future financial situation when thinking about the 12-month period following the time of the survey (compared to 38% prior to the program).

> "I wish everyone could do it. We don't realise how much finances affect every other part of our lives and, if we got it right, the freedom it gives us. I'd recommend MoneyMinded as it helps anyone along this journey of financial stability and freedom." (Survey respondent)

When asked if their finances allowed them to enjoy their life and do the things they want, 42% said that before the program this description fitted them 'fairly or very well'. After MoneyMinded, 74% said their finances allowed them to enjoy life and do the things they want to do.

To the discussion group participants, 'feeling comfortable' meant also feeling secure, being able to enjoy life and not having to worry or stress about money.

> "When you have the all money that you feel secure and stuff, you have money so you can achieve your life goals, your aims, and you can enjoy life and you don't have to worry about money." (Participant, discussion group)

5.4 FINANCIAL RESILIENCE

Having financial resilience means being able to cope with a financial shock such as an unexpected large expense without suffering financial hardship or going into debt (ANZ, 2018a; Kempson et al., 2017; O'Connor et al., 2019). Survey respondents reportedly increased their savings since MoneyMinded which has helped strengthen their financial resilience.

Before MoneyMinded:

- 26% of respondents felt they would have enough money to pay ('all of it') for an unexpected expense equivalent to a month's income compared to 51% after MoneyMinded
- 28% of respondents said they would need to borrow money from the bank, family, friends or use a credit card to meet an unexpected expense of a month's income ('to cover all of it') compared to 7% after MoneyMinded
- 32% of respondents reported that if their income fell by a third, they could meet all their expenses without needing to borrow for 3 months or more compared to 52% after MoneyMinded
- 41% of respondents said they could only cover their expenses for less than one month if their income fell by one third compared to 20% after MoneyMinded
- 29% of survey respondents said they did not have any savings. After MoneyMinded, this decreased to 9%
- 31% of survey respondents reported having at least 3 months' worth of income in savings. After MoneyMinded, this increased to 49% of survey respondents.

5.5 WHAT DOES FINANCIAL WELLBEING MEAN TO RESPONDENTS IN AUSTRALIA?

Respondents were asked to rate their own level of financial wellbeing on a 5-point scale ('very low' to 'very high'). 23% rated it as 'very high' or 'high' before MoneyMinded. After MoneyMinded, 69% rated it as 'high or very high'.

When respondents were asked to indicate the effect MoneyMinded had on their financial wellbeing, 79% of respondents said that MoneyMinded had a 'very positive' (23%) or 'positive' (56%) effect on their financial wellbeing.

Some discussion group participants described financial wellbeing as having stability, safety and security. This reflected a desire to be free from constant worry about money including freedom from debt and having a financial buffer for emergencies.

> "Like you won't be like, 'Oh my God, what if this happens?' Like I try save. Even as you feel financially secure, you know that if something comes up, kids too … yeah, you can get through it." (Participant, discussion group)

For others, it was simply the ability to say 'yes' to the cash out option at the supermarket. Before MoneyMinded, participants described their lack of financial wellbeing as a constant stress, a disempowering part of their life that led to a loss of dignity. One participant told us that:

> "At the end of the day, I will sit down and ask myself 'if something happens, what am I going to do?'" (Participant, discussion group)

Interestingly, for many discussion group participants, financial wellbeing did not necessarily mean wealth. There was a common view that with more money often came more problems; what was desirable was enough financial security to support themselves, their family and their future.

> "Financial wellbeing, it's you sleep at night. Don't think about your bills, because it's already been paid, your rent is being paid, or your food is already in the fridge." (Participant, discussion group)

6. RATING OF MONEYMINDED

Survey respondents were asked to rate how they found MoneyMinded overall by giving it a score between 1 and 10. Most participants (84%) gave MoneyMinded a rating of 7 or more out of 10, with the average score being 8 out of 10.

We asked survey respondents to indicate why they gave the rating they did. Following are responses from participants:

"It was tremendously eye-opening and really gave me the confidence to stop relying on debt to get by. I was even able to embrace a new career, which brings me so much joy in helping other people." (Survey respondent)

"I gave this rating because of the simplicity in the delivery of the program and in the simple way the tools are given to you. I like how the program initiates conversation through talking about scenarios and then showing how different tools can be applied to get a positive outcome. Its delivery is not done in a confronting way." (Survey respondent)

"It saved my life and I am not as anxious about my financial wellbeing. I am the only wage earner in the household and this program at my age has assisted me to see a better future." (Survey respondent)

"It provides life examples that people can relate to. It's a great program … The program not only prompts you to think about financials but approach to life and I think it will be helpful to encourage that thinking too." (Survey respondent)

"It's short and sharp, to the point. I can see the benefit of how a workshop would build on the online modules content." (Survey respondent)

"I found that I knew some of the information provided but it gave me a good refresher and made me think about some changes that I could make for the better." (Survey respondent)

"The program is only applicable to people who have money to budget with in the first place." (Survey respondent)

We asked participants what they liked most about the program. Common answers were:

- MoneyMinded was easy to understand, concise and informative
- The skill of the instructor in presenting the material and how they interacted with participants
- The practical nature of the program
- Learning how managing money contributed to their life.

We also asked participants what they liked least about MoneyMinded. Common responses included:

- It was too long or too short
- The information too basic
- The financial terminology needed further explanation
- Some topics needed more depth
- The online resources did not cater well for CALD communities
- Would prefer shorter sessions over more days
- Would like it to be more relatable for youth
- Being confronted with knowledge of their spending habits was difficult for some participants
- Some participants realising that their financial situations did not allow them to save.

7. SUGGESTIONS FOR MONEYMINDED

Discussion group participants were asked for suggestions for the program or other topics they would like discussed in MoneyMinded or further financial education. Participants expressed interest in:

- Learning background information about economic obligations, such as what the Australian Government expects of people.
- Information about superannuation.
- Financial information for small businesses
- More information about banking and credit cards. Participants stated that there was confusion around various options on credit cards, ranging from interest rates to what pressing 1, 2 or 3 meant on debit/credit cards when making purchases to what happens when you withdraw cash with a credit card.
- What an appropriate amount to save for a 'rainy day' is, and what should be done with that money if a 'rainy day' never comes.
- Follow-up and further engagement to encourage participants to maintain habits. Participants suggested that seeing each other and discussing their successes, or even seeing MoneyMinded posters around supermarkets, would serve as reminders and encouragement to maintain and strengthen smart money habits.
- Workshops that included children, allowing kids to learn to save and budget early. This would also serve to engage entire families.
- Statistics about standard expenditures by family size, for example, what is the estimated grocery costs for a family of three? Participants said that the ability to compare their spending with others would be valuable.
- What bankruptcy entails.
- Where participants could seek reliable and affordable financial advice.
- How best to invest money?

Survey respondents told us:

- At times, some of the tools did not match the ASIC website, and that greater consistency would help with learning processes.
- Case studies should better reflect the variety of lived experiences that participants have, showing practical examples for each socio-economic group to give them better understandings of where they needed to go and what typical expenditures looked like.
- Material should be more suited to younger audiences.

Photo credit: James Braund

8. BUILDING FINANCIAL CAPABILITIES OF NEW ARRIVALS

8.1 THE CHALLENGE

Australia is a racially diverse country with multi-culturalism hard-wired into our economic, political and social spheres. There are constantly changing patterns of migration and countries of origin. Migration to Australia is dependent upon global economic and political factors. To meet the financial needs of this diverse group of people we need to be cognisant of their prior financial experiences and their proficiency with both English and the internet. There are an increasing number of humanitarian crises occurring in the world, these and the consequent increasing global migration, calls for a focus on ensuring new arrivals to Australia, especially those from non-English speaking backgrounds (NESB) are equipped with the knowledge and skills required to integrate effectively from a financial perspective.

For individuals and families moving to Australia to live, being able to engage effectively with the financial system is a critical capability required immediately upon arrival. Typically, new arrivals need to find housing, be able to use public transport, gain employment, start a small business or enrol in education. Each of these critical activities have a financial aspect that needs to be understood in order to move forward. Successful integration requires that the financial sector consider how best to provide information, systems and resources that meet the needs of new arrivals. The financial welfare of new arrivals also requires opportunities to learn about the finance system of the new country and to build the capabilities necessary to utilise it effectively.

Having access to financial education is a matter of equity. Every participant in our monetised society has the right to learn about money and how it works. In embracing migrants and new arrivals, we need to ensure they are equipped with the knowledge, skills and confidence to navigate the financial system so they are able to set, work towards and meet their financial goals in their new country.

Approximately 35% of Australia's population, aged 15 and over, were born overseas. Migration to Australia is predicted to increase given our economic and labour needs and changing demographic profile. There has been a particularly rapid rise in temporary migration to Australia over the last 10-15 years (Castles, 2016). In 2016, approximately 1.7million people aged 15 years and over were recent migrants or temporary residents. These more recent and long-term temporary arrivals also need access to financial information that will ensure their stay in Australia is successful and contributes to their overall wellbeing.

Over the last 20 years, there has been a shift in migration patterns from a predominance of UK – European origin arrivals to people from Asia-with China and India now the most prominent countries contributing to Australia's migrant numbers. Indeed, out of the top 10 countries of origin for Australia's skilled migration numbers, seven are non-European and apart from China and India include the Philippines, Vietnam, South Africa, Malaysia and Sri Lanka.

Temporary arrivals also include those on student visas. In the year 2017-2018 nearly 400,000 student visas were granted with a large proportion of these students from non-English speaking countries. While international student enrolments are lucrative for universities and the Australian economy, in turn, Australia has an obligation to ensure these students can appropriately, effectively and efficiently navigate the financial system.

8.2 FACTORS INFLUENCING THE FINANCIAL WELLBEING OF NEW ARRIVALS

Structural

There is a large body of evidence that shows migrants and new arrivals especially those from a non-English speaking background (NESB), refugees and asylum seekers experience considerable financial hardship when arriving in Australia (Bourova, Ramsay & Ali, 2019). Successful integration into a host country is determined by structural factors within the country – policies and financial provisions that support settlement, community resources and individual capacities and capabilities (Healey, 2006). These factors can either enable or impede the settlement experience.

Cultural

The Organisation for Economic Co-Operation and Development (OECD) (2014) has identified common barriers that impact on successful integration to the financial system of a new country. Migrants and new arrivals may distrust financial systems stemming from experiences in their home country or find that their cultural and religious needs are not met with the financial products and services available. Both of these circumstances can be difficult to overcome and can lead to financial exclusion (Sain, Rahman, Khanam, 2018).

Employment

Unemployment and underemployment for new arrivals and migrants are significant barriers to their financial wellbeing. People arriving in Australia under the skilled migration policy also experience difficulty in gaining employment commensurate with their qualifications and experience (Rajendran et al., 2019). New arrivals such as refugees and asylum seekers face even more extreme barriers given their experiences of trauma, displacement and lack of resources available for them to draw upon when arriving in Australia (Ramsden & Ridge, 2012).

Language

Being able to communicate effectively underpins employment prospects and community integration. Migrants and new arrivals from NESB countries will find most aspects of their lives in Australia difficult without proficiency in English. "Second Language (L2) learning and settlement in a new country are inextricably intertwined" (Kim, Ehrich & Ficorilli, 2012, p. 41). Low levels of literacy including digital and language skills leads to a lack of confidence and inhibits engagement with the financial services sector (OECD, 2014).

Migrants and new arrivals from NESB are particularly vulnerable to scams and unsolicited selling. Additionally, they are likely to need to sign contracts they can't understand, and not knowing how to address these financial issues can lead to an escalation in debt, poor credit ratings and enormous stress (Bourova, Ramsay & Ali, 2019).

Opportunities to learn English must be available in order for people to become proficient enough so that their financial capabilities may also grow. It is possible that opportunities to learn English could be incorporated with or be offered concurrently to financial education.

8.3 MEETING THE FINANCIAL SERVICES NEEDS OF MIGRANTS AND NEW ARRIVALS

Access to banking services, that is, being able make payments, save and have access to safe and affordable credit are critical for migrants and new arrivals to establish a new life in Australia (Barcellos, Carvalho et al. 2016). For many migrants, being able to send money back to their home country is also a necessary financial service (Mondal & Khanam, 2018). People from culturally and linguistically diverse (CALD) backgrounds or NESB face high risk of financial exclusion in Australia if appropriate products and services are not available and / or they do not have access to information and support that facilitates their inclusion. Individuals excluded from mainstream financial services are vulnerable to relying on high cost products offered by the fringe financial services market.

Over time, the range and type of financial services needed by migrants and new arrivals changes as they progress through the settlement process (Zuhair, et al., 2015). Ideally, migrants and new arrivals should have the opportunity to move from surviving to thriving in their new country. Zuhair et al., (2015) describe the financial services needed by migrants and new arrivals across four stages of settlement.

1. **Initial settlement:** Money and financial services needs are based on the need for survival in their new country i.e. finding employment, housing and learning the language. For many new arrivals – especially those from NESB can find it particularly difficult without support to safely navigate utility contracts and to acquire even basic goods without falling prey to high cost consumer lease providers (Bourova et al., 2019).
2. **Legalisation:** Sending money back to family in their country of origin through remittances, saving for household items or needing a personal loan or consumer credit or perhaps desiring a business loan to start a small enterprise. Financial problems arise if individuals cannot access loans from a mainstream bank due to insufficient documentation, credit history or suitable collateral. Migrants will become more vulnerable to fringe lenders who offer loans with less stringent eligibility criteria than mainstream bank loans but are high cost and can result in a debt spiral. Having access to safe and affordable credit is critically important throughout the settlement process.
3. **Stable settlement:** If the earlier stages are successful, financial activities may include continued savings and setting larger goals such as buying a home. Having the capacity through saving or credit to purchase non-essential items that help to make life more enjoyable and easier may also occur in this stage. Insurances for housing and other assets will be needed at this stage.
4. **Consolidation:** The characteristics of this phase depends on the terms of the migration – whether its permanent or temporary. If the migration was permanent, the financial services needed may include acquiring more sophisticated products such as investments, life and other insurances and retirement fund options.

While these four stages appear linear, they rarely unfold in such a neat sequence. The lives of new arrivals, especially refugees and asylum seekers are anything but ordered and predictable. When expected or unexpected life events that have a financial impact occur at any of these stages, the settlement stage can be disrupted and varying financial services and support may be required.

The financial services sector in providing products, advice and support, need to consider the context of the new arrival, their accessible resources, their cultural and religious beliefs and the capacities they have to understand their options. If a migrant has come from a country where there are low levels of trust in financial institutions or the receiving country doesn't offer financial products compliant with religious and cultural needs, the settlement process is likely to be hampered and the financial future of the new arrival compromised.

The Australian Banking Association (ABA) in their Banking Code of Practice (2019), while not specifically referring to people of NESB, have committed to 'inclusive and accessible banking' which aims to provide dedicated assistance to any customer that experiences difficulties in engaging with a banking service.

8.4 HOW CAN FINANCIAL EDUCATION CONTRIBUTE TO THE FINANCIAL WELLBEING OF NEW ARRIVALS IN AUSTRALIA?

The financial capabilities of migrants or new arrivals are not measured in the statistics collected by the Australian Bureau of Statistics or the Department of Home Affairs. While information about employment, language proficiency and other economic and social indicators are captured, the ability of a new arrival to participate financially in Australia is not considered. Consequently, it is difficult to plan and provide the financial capability support needed by migrants and new arrivals.
The significant detrimental long-term outcomes that arise from insufficient support or lack of opportunity to acquire relevant capabilities warrants the consideration of providing adequate financial capability support (Bourova, et al., 2019).

Each country's financial system has unique characteristics, regulation and product supply that need to be understood for effective financial participation. Research shows that migrants have a strong desire to have access to information that can help with their financial decision-making (Zuhair et al., 2015). Financial education can therefore play an important role across all settlement stages for migrants and new arrivals.

8.5 FINANCIAL EDUCATION DELIVERY MODES

Financial education for new arrivals can be delivered in a variety of formats. Programs can be delivered face-to-face in group workshops or one-to-one financial counselling sessions, online, or be incorporated into other settlement programs that provide information and assistance for new arrivals.

One example is the MoneyMinded program which is delivered to CALD communities either in face-to-face group workshops or as a one-to-one financial counselling service and has also been included in micro-enterprise programs such as the Brotherhood of St Laurence's Stepping Stones program. Another example is the Australian Securities and Investments Commission's MoneySmart website which provides a Money Management Kit designed for community workers who are helping new arrivals settle in Australia. The kit provides financial information in 16 languages using several delivery strategies including audio, video and fact sheets.

8.6 RECOMMENDATIONS FOR FINANCIAL EDUCATION TO IMPROVE THE FINANCIAL WELLBEING OF MIGRANTS AND NEW ARRIVALS

Research suggests that new arrivals, particularly those from NESB require more support at the structural, community and individual levels to reduce their financial vulnerability (Bourova et al., 2019). Following is a summary of recommendations cited in the literature, relating to increasing the efficacy of financial education initiatives.

1. Financial education and support that addresses the issues faced by new arrivals should consider the individual's level of financial experience, cultural characteristics and strengths that can be harnessed to build financial capabilities in the Australian context. For example, culture can influence the propensity for saving (Costa-Font, Giuliano & Ozcan, 2018), appetite for risk and future planning (Chen & Hungerman, 2014; Petersen, Kushwaha & Kumar, 2015).
2. In delivering financial education, a gender lens should be applied to ensure that women are provided with information that empowers them to benefit from the financial opportunities available in their new country. Cultural and religious factors and their impact on money management and financial decision-making in households should be paramount when designing and delivering financial education programs (IRC, 2017).
3. Financial education initiatives are particularly successful in the early stages of resettlement (IRC, 2017). We need a greater understanding of the financial lives of new arrivals at the household level to inform the most effective content and delivery methods.
4. Financial education should be offered in relevant languages within CALD communities and include topics such as utilities, insurances, consumer leases, high cost loans, debt resolution, and consumer rights (Bourova et al., 2019).
5. To have a lasting effect, financial education requires follow-up interventions. A randomised control trial in the United States (US) found that financial education for migrants did improve knowledge but the effect decreased significantly after six months (Barcellos, Carvalho, Smith & Yoong, 2016).
6. An integrated approach to financial education is advocated in a study on the financial education interventions that work in the US for new Americans (IRC, 2017). By combining financial education with financial coaching, new arrivals have access to the information, guidance and products needed to support their financial wellbeing. The study also recommended that financial education delivery services build relationships with clients, provide clear pathways from other settlement programs into financial capability building initiatives along with having available 'just in time' services to support key decision-making (IRC, 2017).
7. Financial education and support are best offered through the migrant communities (Anderloni, 2007) and organisations that provide settlement services (Bourova et al., 2019). Combining financial information with information about other issues such as housing, education and enterprise start-ups incorporates the 'teachable moment' principle of financial education.
8. The OECD (2015) recommends that financial education include the entire migrant family. The OECD PISA (2014) financial literacy study showed that 15-year-old children from immigrant families (across different countries) score lower in the test than those who are not from an immigrant background.
9. Remittance management requires migrant families to have specialised knowledge of products and services to make these transactions as cost effective as possible. Financial education has been found to improve the up-take of lower cost products (Gibson et al., 2012).
10. Financial education can promote effective management of remittances for recipient families. The OECD recommends that both the sending and receiving family members have access to financial education to help the whole family make effective decisions in managing remittances (OECD, 2015).

CASE STUDY

SAVING TOGETHER AS A FAMILY: RESHMA, ASMAA AND FARIDAH

Reshma and her daughters—Asmaa (21 years) and Faridah (17 years)—all joined the Brotherhood of St Laurence's Stepping Stones program together in 2019. Reshma and Asmaa both completed MoneyMinded as a component of the Stepping Stones program.

Reshma arrived in Australia seven years ago with her husband and three children. Reshma and her husband were born and grew up in the southern region of India. Reshma was studying accounting and commerce at university but ceased her studies when she got married. Her husband then found work in Dubai in an engineering role and the family moved and lived there for 16 years. Asmaa reflected on their life in Dubai where the family of five had to live in a one-bedroom apartment:

> "It's so different when someone thinks of Dubai. It's not the gold room, the luxury. Yeah, everyone thinks that, but we are very well off here in Australia compared to in Dubai. Even I could see it as a kid coming here. I'm like, oh, yeah, we're much better off now." (Asmaa)

In Dubai, life was a financial struggle. School fees and the cost of transport to school were expensive and the cost of sending their son to school became prohibitive. The family were planning to move back to India, but an opportunity arose to move to Australia on a 457 skilled visa.

In Australia, Reshma is a homemaker and the family has only one source of income but she is able to pursue other opportunities and enrolled in a childcare diploma. A friend sent her information about the Stepping Stones program (run by the Brotherhood of St Laurence), knowing she was interested in improving her small business skills.

> "I didn't know it was so interesting. Stepping Stones was really fun. And the ladies from different communities and different background. We all enjoyed it, being part of that and especially with my kids, it was more like having fun." (Reshma)

In terms of money management prior to MoneyMinded, the family manually recorded all their expenses in a book. Reshma explained that even though this was a long-held practice, there seemed to be no purpose to this record. With her husband, they would check the expenses, note that they perhaps spent too much on particular things, but it never changed their behaviour or attitudes towards money.

> "After each month we just make a total of that and keep it there. That's what we used to do. We did nothing with it, just write and keep it there. … We didn't have any goals." (Reshma)

MoneyMinded impressed upon Reshma the importance of having savings goals and differentiating between needs and wants. Thus, it gave purpose to the practice of tracking their spending.

Photo credit: Andrew Lloyd

Asmaa had always been a good saver. She had a casual job at university assisting students with disabilities and made sure she had money for a rainy day. Asmaa focussed so much on saving that she felt guilty spending money or using money to enjoy life. After MoneyMinded, Asmaa learned that managing money was also about spending it wisely and about the value of having goals and saving, but also allowing herself to enjoy life more.

"I learned from MoneyMinded, that it's … about having a goal to work towards and having a budget for each thing. It doesn't mean that if you want to save, that you cut out on your fun time or any of your entertainment expenses. I think, using that now, I'm enjoying myself." (Asmaa)

Reshma has noticed the change in both her daughters. She says they are now more balanced—Faridah saves more and Asmaa allows herself to enjoy life more. MoneyMinded has also impacted on her husband and son. They have been encouraged to distinguish between their needs and wants, hunt around for better prices and save towards their goals.

"If we have to do something, like we were planning to go to Dubai, then my husband is like, 'No, we shouldn't go. We don't have that much budget'. But again, we all said, 'No, we'll try to save it for that'. And then together as a unity, like teamwork, we are doing good." (Reshma)

Asmaa's financial confidence has also increased.

"I'm feeling independent. I'm feeling like I'm using my money well. Again, I think I've got it all under control, I guess. I'm not holding myself back from things that I should get like my needs. Having fun is also a need sometimes, getting away. I feel like I'm not guilty of it." (Asmaa)

Reshma, Asmaa and Faridah all talked with delight about how much fun it was discussing money at home, doing research and saving for their goals (they are currently saving for their holiday to Dubai). This was certainly not the case before MoneyMinded. They have joined forces to improve their financial wellbeing, using the tools they learned in MoneyMinded. As Reshma said:

"What I saw is after MoneyMinded program in my house, we are having a lot of discussions. Before, we never used to come and tell anything to each other … together we are having fun and also, we are connected now. That's really a good thing." (Reshma)

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