



Saver Plus, improving financial literacy through encouraging savings

Evaluation of the Saver Plus pilot phase 1 – final report

Roslyn Russell, Business Portfolio, RMIT University

Rob Brooks, Department of Econometrics and Business Statistics, Monash University

Aruna Nair, Business Portfolio, RMIT University

Liz Fredline, Griffith Business School, Griffith University

 **RMIT**University

 **Brotherhood of St Laurence**
Working for an Australia free of poverty

 **Berry Street Victoria**
since 1877

 **the benevolent society**
initiating change

 **ANZ**

Foreword

Through a unique business and community partnership, ANZ and The Brotherhood of St Laurence initiated Saver Plus as a way to reach out to low-income families to improve financial education, access to financial services, saving, and asset accumulation.

As the reader of this informative report will see, Saver Plus is an exciting project in its own right, and it should be expanded in the future.

Even more importantly, however, Saver Plus may demonstrate principles for asset-building that can be applied broadly in public/private partnerships in the future. The ultimate goal should be to include the whole population in asset building.

Research indicates that asset building is fundamental to the economic and social development of individuals, families, communities, and society as a whole. Asset accumulation is associated with a wide range of positive effects, including improved stability of households and communities, better outcomes for offspring, stronger orientation toward the future, and more engaged and productive citizens.

Asset-based policies are growing rapidly in many countries – including Australia – as a means of providing social and economic stability and influencing individuals to make investments that benefit their families and communities. Leading this trend, there is a near revolution in public policy toward defined contribution principles in retirement pensions in the form of individual accounts. This is evident in the superannuation policy of Australia. The major problem with these policies is that the poor are often left behind with inadequate savings and investments. The challenge is to include the whole population.

Over the past decade, there is increasing attention to policies, programs, and financial products that enable low-income families to accumulate financial and tangible assets, along with human capital in the form of greater financial knowledge.

Creative partnerships across the public, non-governmental, and private sectors are leading to innovations in saving and asset building.

One example is Individual Development Accounts (IDAs) in the United States. IDAs are a matched savings and financial education program, targeted to low-resource families, with funding from federal and state governments and philanthropic organisations, and delivery in partnership with the financial services industry. The example of IDAs has influenced similar policies, programs, and financial products in many countries, including the Saving Gateway in the United Kingdom, learn\$ave in Canada, Family Development Accounts in Taipei, Development Accounts for HIV/AIDS orphans in Uganda, and IDA pilot projects planned for China, Indonesia, and South Korea.

Michael Sherraden
Director, Center for Social Development
Washington University in St. Louis

Michael Sherraden founded the Center for Social Development (CSD) at Washington University, where he works on creating, implementing, and studying policy focusing on the least advantaged. Michael is the author of 'Assets and the Poor: A New American Welfare Policy', a book that mandated a paradigm shift to measuring poverty using assets as well as income. Michael developed the Individual Development Accounts (IDA), a matched savings account intended to promote home-ownership, post-secondary education or training, business ownership or other approved asset uses. It is estimated by the Corporation for Enterprise Development that IDA programs exist in 500 communities throughout the United States alone. He is a recipient of the Flynn Prize, given to "a scholar who has connected social work research to other fields or new contexts, creating demonstrable change in social well-being."

Saver Plus is the first matched savings and financial education program in Australia. It is delivered by The Brotherhood of St Laurence (Vic), Berry Street Victoria (Vic), The Benevolent Society (NSW) and, most recently, The Smith Family (Qld). Saver Plus is introducing a new concept of social and economic development, and contributing to improved design and delivery for asset building products and programs.

This study of Saver Plus by Roslyn Russell and her team at RMIT University provides a thorough assessment of results – which are remarkably positive. Most participants in Saver Plus (94%) achieved their savings goal. Most (74%) saved consistently. Most Saver Plus participants (95%) reported an increase in financial management skills, and most (99%) say they plan to keep saving in the future.

One of the requirements of Saver Plus is that participants use their savings for computers or other educational equipment or educational experiences for their children, which it is hoped will contribute to the long-term development of the family. The success of this focused savings target will inform policy development in the United States, where computer purchase is not usually allowed, and home purchase is the major use of IDA savings.

To be sure, no demonstration project is perfect, but very few report findings as interesting, positive, and hopeful as those of Saver Plus.

This final evaluation of Saver Plus should be read as a thorough report on an innovative asset-building program. The reader may also want to keep the larger picture in mind. Saver Plus is providing experience and knowledge that can inform a more inclusive asset-building strategy for Australia and the region.

ANZ has been a leader in the Australia and Pacific region in promoting financial education, access to financial services, saving, and asset-building for low-income families. But ANZ cannot do the job alone. Reaching out for partnerships with non-governmental organisations is a hallmark of the success of Saver Plus. These partnerships will be invaluable going forward.

In addition—in order to reach millions of people eventually – government will have to join in this partnership. Large-scale, inclusive asset building cannot occur through the financial sector and non-governmental organisations alone. Inclusion in asset-building will require government for a policy vision, normative expectations, legal guidelines and protections, and resources.

ANZ and its partners have charted the way with concrete program examples. Saver Plus participants have demonstrated that the poor can save when they have a structure and incentives to do so. RMIT University has done its job in undertaking this research. Altogether, the experience and evidence are in place to move toward an inclusive asset-building policy.



Evaluation of the Saver Plus pilot phase 1 - final report

Roslyn Russell, Business Portfolio,
RMIT University

Rob Brooks, Department of Econometrics
and Business Statistics, Monash University

Aruna Nair, Business Portfolio, RMIT
University

Liz Fredline, Griffith Business School,
Griffith University

 **RMIT** University

Contents

List of Tables	4	5.0 Saver Plus participants	20
List of Figures	5	5.1 Eligibility criteria	20
Acknowledgements	6	Health Care Card	20
Summary	7	Paid employment and capacity to save	20
1.0 Introduction	10	Children in secondary school	20
1.1 Report structure	10	5.2 An estimation of the eligible population within the pilot sites	21
2.0 Background	11	5.3 Demographics	23
2.1 Financial exclusion	11	5.4 Comparison to national average	26
2.2 Asset-building and Individual Development Accounts	12	5.5 Motivations for joining Saver Plus	27
Individual Development Accounts	13	6.0 Savings and money management behaviour prior to Saver Plus	28
The American Dream Demonstration	13	6.1 Money management prior to Saver Plus	30
Saving Gateway	13	6.2 Differences across sites	34
2.3 Savings in Australia	14	7.0 Saving during Saver Plus	35
3.0 The Saver Plus program	15	7.1 Items saved for	35
3.1 Program characteristics	15	7.2 Items purchased	35
Matched savings	15	7.3 Savings goals	36
Relationship management	15	7.4 Program withdrawals	38
Financial education	15	7.5 Methods for making deposits	38
3.2 Account structure	16	7.6 Strategies used to assist in saving	38
3.3 Program objectives	16	7.7 Difficulties in saving	40
3.4 Partnerships and management roles	16	7.8 Average monthly deposits	40
ANZ	17	7.9 Final monthly balances	42
Brotherhood of St Laurence	17	7.10 Patterns of saving behaviour	45
Berry Street Victoria	18	7.11 Income levels throughout the program	46
The Benevolent Society	18		
3.5 Management structure	18		
4.0 Evaluation of the Saver Plus program	19		

8.0 Post-program savings and money management behaviour	47	11.0 Summary of Key findings	72
8.1 Planned saving behaviour post Saver Plus	47	12.0 Key success factors of Saver Plus	73
8.2 Actual saving behaviour post Saver Plus	48	13.0 Considerations for the future	74
8.3 New savings goals	49	14.0 References	76
8.4 Changes in money management behaviour	49	Appendix A: Breakdown of pilot site populations: Income and family structure	78
9.0 Impact of the program	52	Appendix B: Explanation of statistical techniques	84
9.1 Overall experience and benefits of Saver Plus	52	Appendix C: Explanation of equivalised household income	85
9.2 Impact of learning new knowledge and skills	53		
9.3 Relief of pressure and stress	55		
9.4 Impact of achievement	56		
9.5 Impact of education program	57		
9.6 Impact on the family	59		
10.0 Program processes: Recruitment, sign-up and disbursement	64		
10.1 Recruitment	64		
10.2 Participant sign-up	65		
10.3 Disbursement of funds	66		
10.3.1 Participants' perspective of the disbursement process	67		
10.3.2 Relationship Managers' perspective of the disbursement process	69		
10.4 Spending the money	70		

List of Tables

Table 1: Maximum gross income for a low-income Health Care Card (relevant to Saver Plus)	20	Table 22: Reasons for changing savings goals	37
Table 2: Frankston population demographics relevant to Saver Plus	21	Table 23: Banking methods used for saving	38
Table 3: Shepparton population demographics relevant to Save Plus	22	Table 24: Strategies used to save	39
Table 4: Campbelltown population demographics relevant to Saver Plus	22	Table 25: Difficulties in saving	40
Table 5: Demographic characteristics of participants	23	Table 26: Progress of recruitment and average monthly deposits	41
Table 6: Language, ethnicity and education levels	24	Table 27: Average balances	42
Table 7: Employment and income figures	25	Table 28: Saving behaviour by demographics	42
Table 8: Comparison of Saver Plus participants with average weekly Australian incomes	26	Table 29: Saving behaviour by language and education	43
Table 9: Comparison of Saver Plus participants with poverty lines	26	Table 30: Saving behaviour by income, source and prior saving behaviour	44
Table 10: Main motivation to join the program	27	Table 31: Patterns of saving behaviour and average final saving balances	45
Table 11: Savings patterns and use of credit prior to commencement	28	Table 32: A comparison of monthly deposit levels	46
Table 12: Past saving and spending behaviour	29	Table 33: Income levels throughout program	46
Table 13: Basic financial behaviour	30	Table 34: Planned saving behaviour post Saver Plus	47
Table 14: Transaction types used	31	Table 35: Actual saving behaviour post Saver Plus	48
Table 15: Financial products used	31	Table 36: New savings goals	49
Table 16: General money management	32	Table 37: Rating of ability to plan and manage money since the program	49
Table 17: Financial and general attitudes	33	Table 38: Changes made to money management habits	51
Table 18: Knowledge of fees and charges	34	Table 39: Rating of overall experience	52
Table 19: Items being saved for	35	Table 40: Rating and ranking of the benefits of the program	52
Table 20: Items purchased	36	Table 41: Impact of learning new knowledge and skills	53
Table 21: Meeting the savings goal	37	Table 42: Relief of pressure and stress	55
		Table 43: Sense of achievement in reaching a goal	56

List of figures

Table 44: The education classes/group interaction and forming networks	57	Figure 1: Saver Plus partnership configuration	17
Table 45: Usefulness of the financial education program	58	Figure 2: Strategies for meeting savings goal prior to joining program	29
Table 46: Additional topics for the financial education component	58		
Table 47: Suggested improvements to content	59		
Table 48: Rating of the effect of the savings achievement on participant and family	59		
Table 49: Effect of the savings achievement on participant and family	60		
Table 50: Rating of the effect of the purchase on the child's life	62		
Table 51: Comments on the effect of the purchase on the child's life	63		
Table 52: Sources of information about the program	64		
Table 53: Rating of the process for claiming the matched funds	67		
Table 54: Comments on the process for claiming the matched funds	68		
Table 55: Number of cheques issued across pilot sites	69		
Table 56: Reasons for difficulties in spending the matched funds	70		

Acknowledgements

This document is a final report that will provide an evaluation of the Saver Plus pilot program. The program was launched in July 2003 and the first savings period was completed in December 2004. This report will present the evaluation findings from the first savings period.

We would like to acknowledge the assistance of the Saver Plus research reference group in providing valuable input, discussion and guidance.

The participants who joined the program between July 2003 and the end of March 2004 have provided the data included in the report. We are grateful for their willingness to be involved in the research. Staff who are implementing and running the program have also provided valuable information. We thank them for their time in participating in the research.

The evaluation has been funded by ANZ and both ANZ and the Brotherhood of St Laurence have provided significant background information useful for the research efforts.

The Relationship Managers from each of the pilot locations have administered the questionnaires to participants and have provided valuable assistance in maintaining the quality of the data. They have also assisted us in the coordination and organisation of the focus group sessions. We would like to thank the Relationship Managers, Sonia McCann, Brotherhood of St Laurence, Frankston site; Sue Martin, The Benevolent Society in Campbelltown, NSW; and Tracy Pell, Berry Street Victoria, Shepparton. We would also like to acknowledge the support from the Saver Plus Project Manager, Michelle Wakeford, Brotherhood of St Laurence.

Last but not least, our thanks also go to the Saver Plus Management Team, the Saver Plus Policy and Practice Team and other staff from the partnering community organisations for generously taking the time to participate in interviews. Your feedback, opinions and the valuable information you've provided us on the pilot program is much appreciated.

Summary

Saver Plus is a financial literacy and matched savings program developed to assist families on low incomes to improve their financial knowledge, build a long-term savings habit, and save for their children's education. The program has been developed through a partnership between ANZ and the Brotherhood of St Laurence (BSL) and has been implemented through subsequent partnerships with Berry Street Victoria and The Benevolent Society, New South Wales. The most recent Saver Plus partnership is with The Smith Family, who have commenced delivery of the program in South East Queensland in 2005 (not included in this evaluation report). The first Saver Plus savings period was delivered in three locations: Frankston, Victoria (BSL); Shepparton, Victoria (Berry Street Victoria); and Campbelltown, New South Wales (The Benevolent Society). This period began in July 2003 and was completed in December 2004.

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 relationship management. Those eligible to join the program were parents or guardians of children enrolled in a government secondary school in the year 2005. Eligible participants had a Health Care Card or Pension Card issued by Centrelink; additional earnings through part-time, casual employment or self-employment; and, a demonstrated capacity to save. Participants were directed to save towards a goal that relates to secondary school educational costs.

There were 268 participants that participated in the Saver Plus pilot with most being female, sole parents aged between 30 and 50 years.

The primary research goals of the evaluation of Saver Plus are threefold:

- Assess the degree to which the program participants achieved a savings target;
- Assess the degree to which the saving behaviour and money management skills of the participants improved;
- Give consideration for further matched savings programs based on the evaluation findings.

Results

This evaluation demonstrates that Saver Plus has achieved high levels of success in assisting participants to achieve a savings goal and to improve their money management skills and attitudes towards savings. The evaluation also shows that

the program has contributed significantly towards providing the initial impetus for the participants to develop longer-term savings habits.

In addition to achieving the explicit goals, the Saver Plus program has provided additional benefits to many participants that are equally significant in assisting in long term financial sustainability, a better quality of life and improving intergenerational financial capabilities.

Savings behaviour and goals

- A total of 92.4% of participants achieved their savings goal (including 34.6% of participants exceeding their goal). The average final balance of the participants' savings was \$1198 exceeding the average savings goal of \$951 (\$1000 was the maximum matchable amount). Overall, the average monthly balance across the sites was \$104.10.
- In terms of improved saving behaviour, 72.6% of participants demonstrated consistent saving during the program compared to 39% saying they saved something every week before joining Saver Plus and 24% of participants not saving anything prior to the program.
- The majority of participants saved for and purchased computers or IT related accessories for their child. Other commonly purchased products included school uniforms, books and educational experiences such as school camps.
- Although the achievement in reaching the savings goal was highly rewarding in itself, the purchase of the educational products had additional flow-on benefits. For example, participants were delighted with the effects the newly acquired computer was having on the child's homework efforts and their increased levels of enthusiasm in completing school assignments with the aid of word processing capabilities, scanners and power point presentations. It was clear that the purchase of products such as computers and information technology related items have benefits for the whole family. Many participants were obtaining email addresses for the first time; discovering the benefits of online banking; and learning from their children how to access information on the Internet.
- Nearly all the participants (98.8%) are planning to keep saving in the future with 57% planning on saving the same amount as they did in the program and 26% hoping to save more. Many participants have already set goals for their future savings including holidays, home renovations and even small business ventures.

Summary *cont.*

Improvement in money management and financial capabilities

- A total of 94.7% of participants reported an increase in their financial and money management capabilities.
- The most commonly reported areas of improvement in participants' money management skills were: budgeting; better management of family demands; distinguishing between wants and needs; saving; goal setting; and greater awareness of spending leakages.
- A total of 84.2% of participants indicated they were still saving three months after completing the program.

Impacts and benefits of the Saver Plus program

- A total of 99.6% of participants reported a positive experience of the Saver Plus program. The individual experiences and the specific benefits gained by the participants depended upon the financial and personal circumstances of each of the participants. However, the multi-faceted nature of the program ensured that it was able to cater to and provide relevant assistance to all the participants in their savings efforts.
- The participants reported the three main benefits of the program as being: developing a savings habit; receiving the matched funds; and purchasing the product saved for.

The most significant impacts of the program to the participants include:

- Learning about money and developing a savings habit
- Relief of pressure and stress and feeling more in control of their lives
- Sense of achievement in reaching a goal (increased self-confidence)
- Positive impact on the family and children in particular
 - a) the positive difference the product has made to the child's education experience
 - b) the increase in their child / children's interest in saving
 - c) sense of hope for the future by planning further savings goals

Key success factors

The primary key success factor of Saver Plus is in the partnership between ANZ and the community organisations. Each partner organisation brought to the program unique and valuable perspectives and skills ensuring the successful delivery of Saver Plus across the pilot sites.

In addition, the very elements that comprise the program have clearly emerged as key success factors, that is, the combination of the matched funds, the education program and the relationship management.

Matched funds

The opportunity to receive matched funds for savings was the main motivation for 88.2% of participants joining Saver Plus. The offer of matched funds served as a lucrative attractor to the program. However, during the program, the education program and the relationship management grew in importance as key factors in assisting the participants achieve their savings goals. At the completion of the program, the prospect of matched funds was seen by only 44% of participants as being one of the top three benefits from participating.

The education program

The participants viewed the skills and knowledge gained through the education program to be extremely valuable and important in sustaining their longer-term savings efforts and money management practices. In addition to the impact that the new knowledge and skills has had on the participants, many also found the classes to be an opportunity to build friendships and create support networks. All five modules were evaluated by the participants and all were rated as being very useful. Participants have identified areas in which they would like further education including phone banking, financial counselling and superannuation.

Relationship management

The support and encouragement provided by the Relationship Managers was also attributed by many of the participants as a key factor for the achievement of their goals. The Relationship Managers' empathy, concern for the participants and dedication to the program were key qualities that contributed to the success of Saver Plus.

Next Savings Period

Following the success of the first savings period, Saver Plus has now been extended to a second pilot phase and includes an additional partner and geographic region – The Smith Family in South East Queensland. The second savings period will include up to a maximum of 500 participants.

1.0 Introduction

Saver Plus is a program designed to help families on low income develop a savings habit and build assets for educational purposes. The program is an initiative of ANZ and the Brotherhood of St Laurence and includes partnerships with Berry Street Victoria and The Benevolent Society in Campbelltown, New South Wales. The first savings period included 268 participants and ran for approximately 18 months (July 2003 – December 2004) in three locations: Frankston (the Brotherhood of St Laurence), Shepparton in Victoria (Berry Street Victoria) and Campbelltown in New South Wales (The Benevolent Society).

Saver Plus aims to not only help families on low income to acquire an asset base but also to help them to apply the relevant skills and knowledge of effective asset accumulation and money management learnt, on a long-term, life long basis. Building 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).

Professor Michael Sherraden in the USA 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 build assets. 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 self-sufficiency, long-term prosperity and satisfaction.

This report provides the final evaluation of the first savings period of the Saver Plus pilot. The report will include an overview of the overseas matched savings programs – Saving Gateway in the UK and the American Dream Demonstration in the USA, providing a point of comparison to the Australian counterpart Saver Plus.

1.1 Report structure

- 1.0 Introduction to Saver Plus and the overview of the report.
- 2.0 **Background:** Builds the argument for matched savings accounts by introducing the issue of financial exclusion and the principles of asset building policies with an overview of the development of matched savings programs.

- 3.0 **The Saver Plus program:** Provides details of the nature and characteristics of the Saver Plus program including the partnership arrangements.
- 4.0 **Evaluation:** Explains the methodology used for the research.
- 5.0 **Saver Plus participants:** Describes the demographics of the participants and the populations from which they are drawn.
- 6.0 **Savings and money management behaviour prior to Saver Plus:** Provides an insight into the saving behaviour of participants before they joined Saver Plus. It also presents self-reporting data regarding their general financial situation and money management skills and knowledge.
- 7.0 **Saving during Saver Plus:** An integral section that gives the success results and the savings patterns of participants during the saving period. The section provides an analysis of monthly deposits and final balances across pilot sites and also demographic variables. Factors that assisted or inhibited savings efforts are also detailed.
- 8.0 **Post program savings and money management behaviour:** Approximately three months after completing the program, participants were consulted via focus groups to discuss their savings efforts post Saver Plus and their financial plans for the future. Feedback was also gathered regarding the Saver Plus processes such as the disbursement of matched funds.
- 9.0 **Impact of the program:** Also vital to the evaluation was to capture the range of impacts of the program on the participants and their families. This section gives the findings of the tangible and intangible benefits gained from the Saver Plus experience.
- 10.0 **Program processes:** One of the aims of the evaluation is to assess the processes implemented to undertake Saver Plus. This section gives an overview of the relevant procedures of Saver Plus recruitment, participant sign-up and the disbursement of matched funds.
- 11.0 **Key findings:** Provides a summary of the key findings of the evaluation.
- 12.0 **Key success factors:** Provides a summary of the key success factors of the Saver Plus program.
- 13.0 **Considerations for the future:** Informed by the findings, this section includes impressions from the partners and researchers about some elements of the program. These considerations may be taken into account in the ongoing design of Saver Plus or similar programs in the future."

2.0 Background

This section will provide a context to the issues that matched savings programs are aiming to address. An overview will be given of the problem of financial exclusion and the role of asset-building policies in helping to increase the financial capabilities of those within the low-income sector.

2.1 Financial exclusion

Globally, there has been increasing concern regarding the growing proportion of people who are marginalised from the mainstream financial services sector. While there are a number of definitions for financial exclusion, a report completed for ANZ by Chant Link and Associates (2004, p.5) has 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, Not for Profit organisations 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 rationalisation 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 and 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 of government benefits receive 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 Pilley, 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-income and rural sectors (Connolly and Hajaj, 2001). Further discussion on the impacts in rural areas can be found in Ralston and Beal (2000) and Beal and Delpachitra (2004). 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 identification 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 utilising automated banking processes (most of whom fall into the low-income sector) are further impacted.
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 and 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; and 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

2.0 Background *cont.*

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 and consumption activities (Burchardt, Le Grand and Piachaud, 1999). Chant Link and 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. 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 education program, MoneyMinded, which 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.

2.2 Asset-building and Individual Development Accounts

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; and employment and/or adequate income (Boshara, 2001). The low-income sector as a whole is disadvantaged in one or more of these three areas and therefore is largely excluded from asset development programs. This has led to a significant

misdistribution 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 building 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 and 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 institutionalised 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 organisation – 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. Following are brief overviews of two of the major matched savings programs – the American Dream Demonstration in the USA and Saving Gateway in the UK.

The American Dream Demonstration

The most comprehensive study on IDAs, The American Dream Demonstration (ADD), 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). Because the ADD is a compilation of many programs it is difficult to describe in detail all of the characteristics. However, the average matching rate was 2:1 although there was a small proportion of participants who were receiving matching rates of 4:1 and 7:1 in some programs. The average savings per year was USD\$700¹ with around half of the participants succeeding as being high savers, with average monthly net deposits of more than USD\$100. The average participation in an IDA was 24.5 months, a longer period than that of Saver Plus or Saving Gateway. Financial education was a requirement and the IDA programs involved offered general financial education which included money management skill development and asset-specific education which involved more individual counselling regarding home purchasing and managing other assets.

The average matched cap in the programs was USD\$1,466 with a range of USD\$240 through to USD\$7,500. Most of the matched funds were used to assist in purchasing a home; microenterprise; post secondary education; or home renovations.

The study revealed that those on low incomes could save and also build assets. (Schreiner, Clancy and Sherraden, 2002).

Saving Gateway

The UK government conducted a widespread 18-month pilot Saving Gateway with 1,478 participants opening accounts between August 2002 and July 2003. The program eligibility was based on income with the criteria being that a participant had to earn GBP 11,000² per year or less if single / GBP 15,000 per year or less with dependents or be in receipt of government benefits. The only other criterion was that the participant had to be of working age (16 to 65 years). The program is sponsored by the HM Treasury and is operated through the Halifax Bank. Saving Gateway uses a matching rate of 1:1 with capped total savings of GBP375 and monthly maximum matchable amounts of GBP25 per month. The accounts that were opened in August 2002 matured in December 2003 and those opened in July 2003 matured in November 2004.

Saving Gateway was piloted in five regions in England with four of the sites also including another pilot program conducted by the Community Finance and Learning Initiative (CFLI). This program offers training in financial literacy, micro-enterprise and adult learning. Hence, the Saving Gateway participants from these sites were exposed to these elements throughout their saving period and were also assisted in opening their Saving Gateway accounts.

The Saving Gateway final evaluation report (Kempson, McKay and Collard, 2005) has demonstrated significant success in the pilot and the program is now in its second savings phase with an extended number of participants and pilot sites.

1. This USD amount should be converted to AUD using the relevant exchange rate. Historical exchange rate data is available at: <http://www.rba.gov.au/Statistics/HistoricalExchangeRates/index.html>. Over the period of the ADD demonstration (1997 – 2001) the AUDUSD exchange rate varied from 1.2519AUD to 1USD to 2.0691AUD to 1USD.

2. This GBP amount should be converted to AUD using the relevant exchange rate. Historical exchange rate data is available at: <http://www.rba.gov.au/Statistics/HistoricalExchangeRates/index.html>. Over the period of the Saving Gateway (August 02 to July 03) the AUDGBP exchange rate varied from 2.4284AUD to 1GBP to 2.9586AUD to 1GBP.

2.0 Background *cont.*

2.3 Savings in Australia

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 to 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.

The worsening status of Australian saving accounts comes at a time when there is a growing shift in responsibility for our retirement welfare from the state to individuals. This makes the accumulation of private savings even more important than ever before. Currently, the future retirement plans for the Baby Boomer and younger generations are in need of significant long-term attention. While this is cause for concern for the general population, the plight of the low-income sector is significantly worse. A number of studies (Beal, 2000a and 2000b; Harris, Loundes and Webster, 2002) have explored the savings motivations and behaviours of Australian households. These studies have found that lower income households have a lower propensity to save and include a greater proportion of households with no savings.

There are additional factors that impact the low-income 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 (BSL, 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. Giving people the capacity to have greater control over their financial choices is a primary aim of asset building policies.

3.0 The Saver Plus Program

3.1 Program characteristics

The design of Saver Plus, while drawing significantly on Individual Development Accounts (IDA) programs in North America and the Saving Gateway program in the UK, has been tailored to the Australian context, reflecting national research in the areas of finance, education and the low-income sector. The Saver Plus model is comprised of: matched savings; relationship management; and financial education. This section will briefly outline these components.

Matched savings

A critical component of Saver Plus, indeed of most IDAs, is the incentive, which is the matched savings. Saver Plus offers matched savings at a ratio of \$2 for every \$1 saved with a maximum matched component of \$2000. For example, each participant has the opportunity to receive \$2000 to 'match' his or her \$1000 saved. It should be noted that each participant can save more than \$1000 over the course of the program but matching is capped at the \$1000 balance. It should also be noted that the participant has access to their savings throughout the entire program. However, there are some measures in the program design to assist them in avoiding excessive withdrawals and any potential to undermine the program terms and conditions. In order to receive the maximum benefit from the matched savings, participants need to demonstrate that they have saved regularly. The first savings period accounts matured in December 2004 and matching took place between December 2004 and February 2005.

Relationship management

Participants of Saver Plus were supported and encouraged throughout the program by a Relationship Manager. There was a Relationship Manager for each location and they were responsible for the recruitment of participants, administration and maintenance of participant files, the delivery of the financial literacy training program and disbursement of the matched funds.

The Relationship Manager is to implement and monitor the program in such a way that the partners' and participants' objectives are served. This role is to offer friendly support and coaching rather than be a supervising authority. The Relationship Manager however is also responsible for ensuring adherence to the criteria. To assist in the evaluation and also for future refinement of the program, records are to be kept of circumstances that inhibit the participants in reaching their savings goals.

Financial education

Increasing the levels of financial literacy is emerging as an important strategy in the quest for the alleviation of poverty (BSL, 2003). There is a concerted effort in the western world to build financial management skills in the general population to address the alarming rates of consumer debt, low savings rates and in general poor financial skills (Fox, Bartholomae and Lee, 2005). Many overseas IDA programs include a financial education component – some are compulsory for participants and others are not. Building financial assets provides those on low income with options when contingencies arise. This in turn reduces stress on themselves and the family and also provides feelings of security, confidence and self-esteem. It is recognised that progress towards this level of competence may be slow for those with low levels of financial literacy. Current research conducted in Australia reveals that those who have the lowest levels of savings are more likely to have low levels of financial literacy (ANZ, 2003). 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 financial management strategies to assist in creating long-term saving behaviour well after the participation and immediate benefits of the matched savings program 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) to support participants throughout the program and to encourage a savings habit for their future. The program was developed following research on the overseas experience and the positive impact reported by participants. However, to ensure the learning suited Australian conditions, focus groups were conducted to determine the needs of families on low incomes and the program was piloted with a relevant group and further refined. The financial literacy program is a compulsory part of Saver Plus and despite some understandable hesitancy from participants initially, their enthusiasm quickly grew when noticing the benefits that accrued from increased financial knowledge and management skills. The program was developed for small groups that allowed interaction from all participants, sharing ideas and strategies with the group. Many participants also exchanged contact details to provide ongoing support for each other outside of the formal setting.

3.0 The Saver Plus Program *cont.*

The significance of improving levels of financial literacy in the hope of increasing levels of savings within the low-income sector cannot be overstated. The program includes five modules of approximately 2 hours each.

The modules include:

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

The education component is delivered by the Relationship Managers at each pilot site with participant groups of approximately 8 to 10 people. The facilitation of the program by the Relationship Managers with whom the participants have already established a rapport, and the small group setting ensures that the participants feel comfortable with the education component.

3.2 Account structure

The product used for the Saver Plus program is the ANZ Progress Saver Account.

The account features include:

- Unlimited deposits (no fees for depositing in any manner)
- Limited withdrawals (possibly subject to fees if limit is exceeded)
- One free withdrawal a month
- No minimum balance
- No monthly account service fees
- **Interest:** possible to receive bonus tiered interest of up to 4% (deposit per month of greater than \$10 and no withdrawals)

Participants are able to use direct debit or passbook facility. Making withdrawals is permissible but discouraged as it is likely to conflict with the saving regimen and ultimate success in the program. Many IDAs that operate in the US do not allow withdrawals at all if matched funds are to be received.

The account being used for Saver Plus is a mainstream banking account allowing all participants the ability to maintain this account beyond the pilot program and be part of the mainstream banking audience. This is an important element for the participants' ongoing success in saving as we have learned that other overseas programs are now faced with participants being forced to move their savings and matched amounts into

other bank accounts as their monies are being housed in an interim account. It is a recommendation for future programs that the Australian model be adopted i.e. start participants using a mainstream account that can be maintained after program completion thus avoiding any interruption at the program conclusion.

3.3 Program objectives

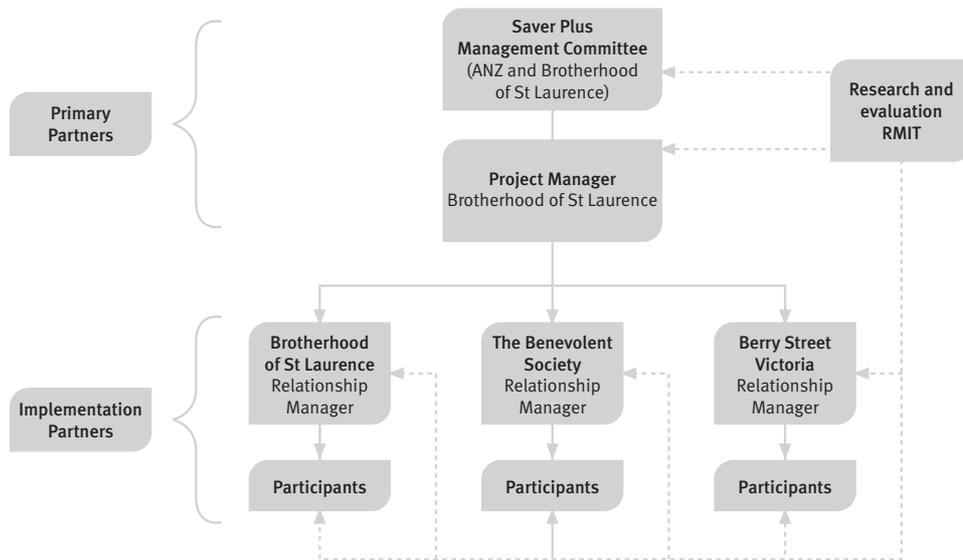
The objectives of the Saver Plus program are to:

1. Implement and refine a model to support and encourage up to 300 low-income earners to establish a savings habit;
2. Assist up to 300 low-income earners to achieve a savings target;
3. Increase the financial literacy skills of up to 300 low-income earners;
4. Increase knowledge, specific to Australia, about asset building and share this knowledge via a national conference, documentation, presentations and publications;
5. Inform policy development on asset building via documented program outcomes;
6. Advocate for policy development and implementation that will assist people, particularly low-income earners, build assets; and
7. Make recommendations about replicating the program including ways to encourage other groups (government, business and community organisations) to take up and utilise.

3.4 Partnerships and management roles

The concept of the Saver Plus program was developed through a partnership between ANZ and the Brotherhood of St Laurence. ANZ approached BSL in 2002 with the proposal of jointly developing and implementing a savings program based on the USA IDA model. ANZ and BSL invested significant time and effort over the following year developing the concept and establishing program rules and guidelines. Approximately 12 months after the primary partnership between ANZ and BSL was formed, subsequent implementation partners were incorporated for program delivery. The implementation of the program includes partnerships with Berry Street Victoria in Shepparton and The Benevolent Society in Campbelltown NSW. Figure 1 illustrates the Saver Plus partnership configuration. All partners share a common enthusiasm for innovative programs aimed at addressing social issues. Through these partnerships, each organisation can express a shared commitment to creatively address the low levels of national savings, particularly within the low income earning population. Following are brief descriptions of the partner organisations.

Figure 1: Saver Plus partnership configuration



ANZ

ANZ is one of the largest companies in Australia and New Zealand and has a significant presence as an international banking and financial services group being ranked in the top 100 banks in the world. The headquarters for ANZ is in Melbourne but it currently has over 1000 points of representation worldwide. ANZ’s core business is providing a range of banking, wealth management and investment products for individuals, corporations and small businesses.

ANZ has over the past few years implemented values-driven strategies with a greater focus on its employees, customers and the community in which it operates. A key issue facing the banking industry is the widespread perception that profits come before people. To help achieve a change in perceptions, ANZ needs to increase community trust and demonstrate that it understands its social responsibilities.

ANZ’s strategy for corporate community relations involves focusing on issues that relate directly to its core business, being financial services. These issues include financial literacy and inclusion. ANZ acknowledges that its efforts to address these issues and reach the target audience will come from working in partnership with community organisations. This approach is reflected in ANZ’s core values, in particular the goal to earn the trust of the community.

Saver Plus is the first in a suite of programs aimed at increasing the financial literacy and inclusion of adult Australians, particularly the most vulnerable, that ANZ has chosen to support in partnership with community organisations.

Brotherhood of St Laurence

Established during the Great Depression, the Brotherhood of St Laurence was the vision and creation of Fr. Gerald Tucker, a man who combined his Christian faith with a fierce determination to end social injustice. The BSL has developed into an independent organisation with strong Anglican and community links. Today, the BSL continues to fight for an Australia free of poverty by working with others to create an inclusive, just and sustainable society that challenges inequity. To achieve the vision of an Australia free of poverty the BSL needs to better understand the system within which we work and which contributes to poverty. To this end, the BSL will build relationships with the corporate sector to demonstrate innovative approaches to social issues.

Saver Plus provides the BSL with the opportunity, in partnership with ANZ, to demonstrate a creative approach to the issues of asset development and the effect educational costs have on families with low income.

3.0 The Saver Plus Program *cont.*

Berry Street Victoria

From its inception, Berry Street Victoria has specialised in caring for children, young people and families in need. It was founded in 1877 by a group of concerned women who wanted to provide help and support to women unable to care for their babies by themselves. In the early years Berry Street Victoria conducted training programs for mothers and nurses specialising in infant care, facilitated adoptions and provided support for the birth mothers. In 1994 Berry Street Victoria amalgamated with Sutherland Child Youth and Family Services to become the largest independent child and family welfare organisation in Victoria.

Berry Street Victoria has a number of locations throughout Victoria covering metropolitan and regional areas. The Shepparton branch involved in Saver Plus is a regional office located in northern Victoria. The Greater Shepparton area has a population of approximately 57,000 people. The region is dominated by agricultural industries and has a significant number of migrants and seasonal workers.

The Benevolent Society

The Benevolent Society is Australia's oldest non-profit organisation. Established in 1813 in Sydney it pioneered many of the essential social services we have today. The Benevolent Society's core products are centres for ageing, children, and women's health. The organisation has a strong focus on social innovation and has launched many socially entrepreneurial programs including Sydney Leadership and Rural Leadership - programs designed to bring about social change through cross-sectoral, collaborative leadership; and Social Ventures Australia, a social entrepreneurship program partnered with the AMP Foundation, WorkVentures and The Smith Family.

Saver Plus, being an innovative program and designed to benefit families, is closely aligned with the core values of The Benevolent Society.

3.5 Management structure

The **Saver Plus Management Team** is comprised of the following:

ANZ: Head of Group Community Relations
Manager Community Relations

BSL: General Manager for Community Services
Project Manager, Saver Plus

The Management Team is responsible for overseeing the implementation and management of the program. The Management Team was assisted by an Independent Partnership advisor.

The **Saver Plus Policy and Practice Team** is comprised of the following:

ANZ: Head of Group Community Relations
Manager Community Relations (ANZ Project Co-ordinator)

BSL: General Manager for Community Services
Project Manager, Saver Plus
Relationship Manager, Frankston

Berry Street Victoria, Shepparton:
Manager Community Programs
Relationship Manager, Shepparton

The Benevolent Society:
Director of the Centre for Women's Health
Relationship Manager, Campbelltown

The Policy and Practice Team is a vehicle for sharing knowledge and practice between the partners and discussing any issues relating to the program implementation and delivery. Central to all aspects of the program development and implementation, are the roles of the Project Manager and the ANZ Project Co-ordinator. The Project Manager is a pivotal role in the program and is the primary contact point for the Relationship Managers (as described in section 3.1) and the researchers. The Project Manager is responsible for the co-ordination of the Relationship Managers to deliver the program and to facilitate the successful implementation of the pilot in accordance with the program rules.

The ANZ Project Co-ordinator acts as a liaison between ANZ and BSL in relation to the program generally and assists in the co-ordination of the program.

4.0 Evaluation of the Saver Plus program

The evaluation of the program was conducted through RMIT University and via the support of a Research Reference Group. All research decisions, processes and research instruments are confirmed by the group before being implemented.

The Research Reference group is comprised of:

- RMIT University – (2 representatives)
- BSL – (2 representatives)
- ANZ – (1 representative)
- The Good Shepherd (1 representative external to the partnerships)

The evaluation of the Saver Plus program focused specifically on program objective numbers 2, 3 and 7, as outlined in section 3.3.

The evaluation aims to:

- Assess the degree to which the program participants achieved a savings target;
- Assess the degree to which the saving behaviour and money management skills of the participants improved;
- Make recommendations about replicating the program including ways to encourage other groups (government, business and community organisations) to take up and utilise.

The evaluation is based upon the following sources of data:

- A total of 248 questionnaires completed by participants at the time of joining the program and who agreed to participate in the research. This questionnaire captured demographics, prior saving behaviour and savings goals.
- A total of 248 questionnaires completed by participants prior to undertaking the education program. This questionnaire was designed to capture baseline data on participants' current levels of financial knowledge and money management skills.
- A total of 237 questionnaires completed by participants upon completing the program to assess levels of success in achieving the savings goals; knowledge acquired during the program and future plans for savings goals.
- Information on the participants' banking activity to analyse savings patterns.

- Depth interviews with staff involved with the Saver Plus development and implementation including site managers; branch staff; and project management staff. These interviews were conducted midway during the program to identify potential problems and to assess progress.
- Focus groups conducted with participants in each site (2 groups in each site) firstly at an interim stage of the savings period to obtain participants' thoughts and opinions about the initial implementation processes, their perception of the program before they joined and their savings progress to that point. A total of 53 participants agreed to participate. The participants were also asked to complete a brief two-page questionnaire to obtain their individual opinions before the discussion began.
- Approximately 3 months after the completion of the program, the second round of focus groups was conducted to obtain information from participants about their saving behaviour since finishing; their experiences in the program; the effect the program has had on themselves and their families; their thoughts and opinions regarding the process of disbursement of matched funds and their plans for saving in the future. Two focus groups in each site were held in March / April 2005 with a total of 38 participants. The participants were requested to fill in a brief two-page questionnaire before the focus group discussion began.
- Interviews with senior management of the partner organisations to gauge the views and levels of commitment given to the program at the senior level (see reference list for specific details of those interviewed).
- Interviews were also conducted with Saver Plus management team at the completion of the first savings period to capture lessons learned and overall views of success and challenges.

The evaluation findings will include an analysis of participant numbers and characteristics; savings and money management behaviour prior to joining the program; saving behaviour while on the program; post-program savings and money management behaviour; the impact of the program on the participant and the family; benefits from the program; an overview of the Saver Plus processes; and recommendations emanating from the findings.

5.0 Saver Plus participants

The pilot program included 268 participants with 248 agreeing to take part in the research. Participant numbers included 122 from Frankston; 60 from Shepparton; and 66 from Campbelltown.

5.1 Eligibility criteria

Being a pilot, Saver Plus has well-defined eligibility criteria to assist the management and evaluation of the program. There has been vigorous discussion amongst the management group regarding the eligibility criteria and its suitability across different regions. NSW has different education costs to Victoria and the regional and rural communities also have differences that suit their specific demographics. Debate involves the possibility of widening the eligibility criteria and to some extent it has widened to involve all secondary education related costs rather than just transition points as was originally planned. However, pilot programs of any sort are best managed with tighter criteria rather than broader. Nevertheless, the issues raised in this pilot will be of value to future programs. There are four tiers to the eligibility criteria: participants must have a Centrelink Health Care Card; some employment; a capacity to save; and children enrolled in a government secondary school in 2005.

Health Care Card

In keeping with the original philosophy of IDAs, Saver Plus is aimed at assisting those on low incomes to establish a savings habit. The Health Care Card or Pension Card, issued by Centrelink, is a well-established and accepted method of determining the low-income status of an individual or family, providing a fair eligibility base for Saver Plus participation (see Table 1).

Table 1: Maximum gross income for a low-income Health Care Card (relevant to Saver Plus)

Status	Maximum gross weekly income to qualify for a Health Care Card	Maximum gross weekly income to retain Health Care Card
Single, or couple combined, one child	\$599.00	\$741.25
For each child, add	\$34.00	\$42.50

*Source: Centrelink (2004)

Paid employment and capacity to save

In order to ensure that belonging to the program would not cause undue hardship to the participants, it was decided that the participants should have low incomes and the capacity to save. It was reasoned that those solely reliant on a Centrelink allocation might not have such capacity after their basic needs were met. The eligibility to qualify for the program is determined on a case-by-case basis by assessing the individual's budget and financial commitments.

Children in secondary school

An essential criterion is having at least one child enrolled in a government secondary school in 2005. The program is designed to help families on low income to save for expenses relating to their children's education in secondary school. The Brotherhood of St Laurence (unpublished report, 2003) has found through experience and research that many families in Victoria experience difficulty in meeting educational costs particularly at the transition point of entering year 7 or senior school.

5.2 An estimation of the eligible population within the pilot sites

To provide an estimation of the proportion of enrolled participants compared to the size of the eligible pool of participants in each area, an assessment was made of the total number of eligible residents in the area based on the postcode. Tables 2, 3 and 4 will give summaries of the numbers and proportion of 'eligible' families in each of the Saver Plus sites. Appendix A includes the complete breakdown of each postcode relevant to each site. Caution is needed when using the following information as it is gathered from the latest census data of 2001 and is therefore slightly dated by 3 years. Also, the data is not broken down any further than couple with children; one parent family or other family. It does not give indication of the ages of the children. The most reliable variable to note is that of income.

Table 2: Frankston population demographics relevant to Saver Plus

	Couple with Children (n)	One Parent Family (n)	Other Family (n)
Negative/Nil Income	20	24	9
\$1-\$199	35	151	6
\$200-\$299	41	392	11
\$300-\$399	241	796	35
\$400-\$499	335	824	61
\$500-\$599	409	524	27
\$600-\$699	597	414	38
\$700-\$799	617	300	33
	2295	3425	220
Total		5940	
% of total population		5.16	
% of population age 30-50		19.08	

*Source: Australian Bureau of Statistics Basic Community Profiles (POA 3197, 3199, 3915, 3930, 3931, 3939) – Catalogue No. 2001.0 ©Commonwealth of Australia 2002.

5.0 Saver Plus participants *cont.*

Table 3: Shepparton population demographics relevant to Saver Plus

	Couple with Children (n)	One Parent Family (n)	Other Family (n)
Negative/ Nil Income	18	15	3
\$1-\$199	23	83	4
\$200-\$299	29	230	3
\$300-\$399	244	488	16
\$400-\$499	261	415	24
\$500-\$599	310	228	14
\$600-\$699	441	202	18
\$700-\$799	436	136	17
	1762	1797	99
Total		3658	
% of total population		6.60	
% of population age 30-50		23.74	

*Source: Australian Bureau of Statistics Basic Community Profiles (POA 3620, 3629, 3630, 3636, 3644) – Catalogue No. 2001.0 ©Commonwealth of Australia 2002.

Table 4: Campbelltown population demographics relevant to Saver Plus

	Couple with Children (n)	One Parent Family (n)	Other Family (n)
Negative/ Nil Income	89	73	11
\$1-\$199	128	522	25
\$200-\$299	143	935	27
\$300-\$399	922	1863	101
\$400-\$499	1024	1579	118
\$500-\$599	1194	908	61
\$600-\$699	1577	834	90
\$700-\$799	1493	682	78
	6570	7396	511
Total		14477	
% of total population		5.47	
% of population age 30-50		18.66	

*Source: Australian Bureau of Statistics Basic Community Profiles (POA 2170, 2500, 2518, 2560, 2565, 2567, 2570) – Catalogue No. 2001.0 ©Commonwealth of Australia 2002.

5.3 Demographics

As shown in Table 5, nearly 90% of the participants are aged between 30 and 50 years, with an average age of just over 41 years, and this age profile is consistent across all locations. Relationships and differences between the groups defined by the demographic variables have been tested using Chi-square contingency table analysis and Oneway ANOVA as appropriate. An explanation of these techniques is included in Appendix B. Almost all of the tests yield non-significant results, indicating that there are no real differences between the participants in the different locations.

The breakdown of gender is also shown in Table 5, and is again uniform across locations. The vast majority of participants are female (in excess of 90%), although there is reason to believe that some couples perceived themselves as having joined as a family. When comparing participants across both gender and

family type there are 90 couples (36.3% of participants); 150 female sole parents (60.5%); and 7 male sole parents (2.8%). The greater participation of females is consistent with overseas experience. These demographics are comparable to the Saving Gateway program, which also attracted a higher proportion of female and sole parent participants aged between 30 and 50 years. The ADD also had a high proportion of female participants with an average age of 36.

Participants from Shepparton are significantly more likely to be living as a couple with children, while those in Frankston are most likely to be sole parents. On average, the participants have 2.5 dependant children and this did not vary substantially across the locations. Similarly, the average age of the children (11.5 years) is fairly consistent across all locations.

Table 5: Demographic characteristics of participants

Variables		Campbelltown n=66	Frankston n=122	Shepparton n=60	Entire sample n=248
Age $\chi^2_{(8)} = 8.5, p>0.05$	20-29 years	3.1%	0	3.3%	1.6%
	30-39 years	36.9%	38.5%	38.3%	38.1%
	40-49 years	47.7%	55.7%	46.7%	51.4%
	50-59 years	10.8%	5.7%	10.0%	8.1%
	60 years and over	1.5%	0	1.7%	0.8%
Average age $F_{(2,244)} = 0.3, p>0.05$		41.4 years	41.1 years	40.7 years	41.1 years
Gender $\chi^2_{(2)} = 0.8, p>0.05$	Male	10.6%	7.4%	6.7%	8.1%
	Female	89.4%	92.6%	93.3%	91.9%
Family Type $\chi^2_{(2)} = 14.6, p<0.05$	Sole parent	60.6%	73.0%	46.7%	63.3%
	Couple with children	39.9%	27.0%	51.7%	36.3%
	Grandparent with children	0	0	1.7%	0.4%
Average number of dependant children $F_{(2,245)} = 1.5, p>0.05$		2.5 children	2.5 children	2.8 children	2.5 children
Average age of dependant children		11.1 years	11.6 years	11.8 years	11.5 years

*Figures in bold indicate proportions for a region that are significantly higher than the other regions.

5.0 Saver Plus participants *cont.*

In Table 6 it can be seen that in both Frankston and Shepparton, all participants speak English as their first language, while in Campbelltown a small proportion speak another language at home (13.6%) or a mix of English and another language (7.6%). A small number of participants identify themselves as being Aboriginal or Torres Strait Islanders, and about 20% of all participants were born outside of Australia.

A range of education levels was observed across the sample, the most common in all locations being partial completion of school education followed by a subsequent qualification from TAFE or other.

Table 6: Language, ethnicity and education levels

Variables		Campbelltown	Frankston	Shepparton	Entire sample
Main language spoken at home $\chi^2_{(4)} = 40.9, p < 0.05$	English	78.8%	100%	100%	94.4%
	English plus other	7.6%	0	0	2.0%
	Other	13.6%	0	0	3.6%
% of indigenous Australians or Torres Strait Islanders		3.0%	1.7%	3.3%	2.4%
Country of birth $\chi^2_{(8)} = 6.9, p < 0.05$	Australia	71.2%	79.5%	90.0%	79.8%
	Other	28.8%	20.5%	10.0%	20.2%
Education levels $\chi^2_{(8)} = 13.4, p > 0.05$	Part school	18.2%	29.5%	25.0%	25.4%
	Part school + TAFE/other qualification	42.4%	29.5%	45.0%	36.7%
	Completed school	4.5%	10.7%	11.7%	9.3%
	Completed school + TAFE/other qualification	22.7%	18.9%	16.7%	19.4%
	University	12.1%	11.5%	1.7%	9.3%

*Figures in bold indicate proportions for a region that are significantly higher than the other regions.

Table 7 summarises the employment status of participants and their partners across the regions. In Shepparton, there is a higher incidence of full-time employment amongst both the signed participants, and their partners (in the case of couples). In Frankston, the majority work part-time, which is consistent with their being primarily sole parents. In Campbelltown, the modal work style is casual employment. Respondents were asked to identify their primary source of income and these were then classified as being income derived from paid employment or income derived from other sources (government/welfare payments). Similar proportions were observed across all locations with just over 65% of participants obtaining most of their income from paid employment.

The average weekly income (after tax) did vary somewhat across locations with Campbelltown participants earning significantly lower amounts per week (\$634/week) than those in Frankston (\$707) and Shepparton (\$710). Equivalised family income per person was calculated by dividing the total income by the equivalence factor recommended by the Australian Bureau of Statistics (ABS, 2004) [see Appendix C for further explanation]. This weights the first adult in each household as 1, subsequent adults as 0.5, children aged 15 years and over as 0.5, and children under 15 as 0.3. A similar trend was observed as in the average household incomes.

Table 7: Employment and income figures

Variables		Campbelltown	Frankston	Shepparton	Entire sample
Employment status $\chi^2_{(6)} = 15.2, p < 0.05$	Full-time	10.6%	11.5%	25.0%	14.5%
	Part-time	33.3%	51.6%	35.0%	42.7%
	Casual	34.8%	26.2%	25.0%	28.2%
	Not employed (partner working)	21.2%	10.7%	15.0%	14.5%
Partner's employment status $\chi^2_{(10)} = 17.9, p > 0.05$	N/A – Sole parent	60.6%	72.1%	46.7%	62.9%
	Full-time	13.6%	12.3%	26.7%	16.1%
	Part-time	4.5%	4.9%	5.0%	4.8%
	Casual	7.6%	0.8%	6.7%	4.0%
	Not Stated	13.6%	9.8%	15.0%	12.1%
Primary source of family income $\chi^2_{(2)} = 0.1, p > 0.05$	PAID EMPLOYMENT	66.7%	67.2%	65.0%	66.5%
	Own paid employment	40.9%	50.8%	38.3%	45.2%
	Own self employment	4.5%	2.5%	3.3%	3.2%
	Partner's paid employment	21.2%	13.9%	20.0%	17.3%
	Partner's self employment	0	0	3.3%	0.8%
	OTHER INCOME SOURCES	33.3%	32.8%	35.0%	33.5%
	Parenting payment (sole parent)	21.2%	23.0%	20.0%	21.8%
	Parenting payment (partnered)	6.1%	4.1%	8.3%	5.6%
	Newstart allowance	1.5%	0.8%	0	0.8%
	Disability support pension	3.0%	3.3%	5.0%	3.6%
	Workcare payment	0	0	1.7%	0.4%
	Other	1.5%	1.6%	0	1.2%
Average family income (after tax) $F_{(2,244)} = 5.8, p < 0.05$		\$633.95 _d	\$706.96 _a	\$710.19 _a	\$688.23
Average equivalised disposable household income $F_{(2,243)} = 6.7, p < 0.05$		\$339.83 _b	\$384.34 _c	\$342.31 _b	\$362.33

*Figures in bold indicate proportions for a region that are significantly higher than the other regions.

*Subscript 'a' denotes a significant difference from Campbelltown. Subscript 'b' denotes a significant difference from Frankston.

Subscript 'c' denotes a significant difference from Campbelltown and Shepparton.

Subscript 'd' denotes a significant difference from Frankston and Shepparton.

5.0 Saver Plus participants *cont.*

5.4 Comparison to national average

According to the Australian Bureau of Statistics, the average disposable income (gross minus tax) across all Australian households in 2002-2003, was \$851 per week. The average for couples with children was \$1053 per week compared with single parents averaging only \$604 per week. The average equivalised disposable income was \$510, with couples with children and single parents with children having means of \$481 and \$352 respectively. In comparison, the Saver Plus couples with children averaged \$402 per week, and the single parents in this program averaged \$293 per week. As shown in Table 8, about half of the couples in the sample had below average incomes, while slightly more than half the single parents in the group had below average incomes.

Using the Poverty Lines obtained from the Melbourne Institute of Applied Economic and Social Research for December quarter

2003 (calculated using the Henderson method) the proportions of participants falling below the relevant poverty line in each category were calculated as shown in Table 9 below. The greatest proportion (40%) of participants below the poverty line were those couples with three children, followed by sole parents with 4 or more children (30.8%). Across the whole sample 15.8% of participants were below their respective poverty lines.

Poverty lines are calculated from a benchmark set in September 1973 by the Henderson Poverty Inquiry. The benchmark established the disposable income necessary to support the basic needs of a couple with two children. Poverty lines for other family types are derived using equivalence scales. Each quarter the poverty lines are updated based on increases in living expenses.

Table 8: Comparison of Saver Plus participants with average weekly Australian incomes

	Mean equivalised disposable income 2002-2003	Median equivalised disposable income 2002-2003	Saver Plus participant average	% Below average
Couples with children	\$481	\$435	\$402	45.5%
Single parents with children	\$352	\$317	\$293	53.3%

Table 9: Comparison of Saver Plus participants with poverty lines

Family Type	Average income in sample	Poverty Line [#]	Number in sample	Number below poverty line	% Below poverty line
Couple, 1 child	\$630.24	\$486.36	5	0	0
Couple, 2 children	\$671.00	\$568.11	29	8	27.6%
Couple, 3 children	\$715.10	\$649.86	25	10	40.0%
Couple, 4 plus children	\$832.64	\$731.61	32	8	25.0%
Single parent, 1 child	\$572.10	\$388.30	33	1	3.0%
Single parent, 2 children	\$661.95	\$470.00	75	4	5.3%
Single parent, 3 children	\$715.84	\$551.75	35	4	11.4%
Single parent, 4 plus children	\$713.98	\$633.50	13	4	30.8%
OVERALL				39	15.8%

Source: Melbourne Institute of Applied Economic and Social Research

5.5 Motivations for joining Saver Plus

The vast majority indicated that their main motivation in joining the program was to get the matched savings. As seen in Table 10, only very small proportions were motivated by the training or the opportunity for support.

Table 10: Main motivation to join the program

	n	%
The opportunity to get matched savings	209	88.2
The opportunity to get financial literacy training	18	7.6
The support and counselling from the Relationship Manager	6	2.5

6.0 Savings and money management behaviour prior to Saver Plus

When asked about saving behaviour prior to commencing the Saver Plus program, 23.6% of participants said they didn't save anything. Frankston participants (44.2%) were most likely to report that they saved something every week, while people from Shepparton (41.7%) and Campbelltown (37.9%) were more likely to say that they saved sporadically. Shepparton had the highest incidence of people (26.7%) reporting that they don't save anything (see Table 11). The proportion of households without savings is higher than the proportion of around 10% for all households found by Beal (2000) and Harris, Loundes and Webster (2002). However the proportion is comparable to the Harris, Loundes and Webster (2002) finding of 20% of low-income households without savings.

Table 11 also shows the levels of saving that people had accrued prior to commencement. A conservative estimated mean was calculated by using the midpoint of each saving category (and \$5000 for the top category) which indicates that, on average Campbelltown participants had the highest levels of prior saving. This result is note-worthy in light of these participants having the lowest average income across all groups.

When asked about the sources of credit that had been used in the past 12 months, the most common response was credit cards (44.5% overall), followed by borrowing from family and friends (20.2%) and store credit (15.8%). Approximately 26% of participants had not used any of these sources of credit in the past 12 months. A small proportion of participants (0.4%) had utilised pay day lenders over the past 12 months.

Participants were asked to select from a list of statements the one which best described their financial situation. Just over half the sample (54.1%) selected "I have just enough to get by on, with a few extras"; while around one quarter of the sample reported that they were able to save money that they did not have to spend. A smaller number of participants reported that they did not have enough money to pay the bills. These particular results need to be understood in the context that this information was received from participants at the time of signing up for the program and being asked to demonstrate a capacity to save to be eligible for the program.

Table 11: Savings patterns and use of credit prior to commencement

Variables		Campbelltown	Frankston	Shepparton	Entire sample
Prior savings pattern $\chi^2_{(4)} = 3.0, p>0.05$	Save something every week	36.4%	44.2%	31.7%	39.0%
	Save sometimes but not regularly	37.9%	35.0%	41.7%	37.4%
	Don't save anything	25.8%	20.8%	26.7%	23.6%
Prior savings level	Less than \$50	30.3%	24.1%	33.3%	28.1%
	\$50 - \$199	7.6%	12.9%	15.0%	12.0%
	\$200 - \$599	24.2%	31.9%	16.7%	26.0%
	\$600 - \$999	4.5%	9.5%	5.0%	7.0%
	\$1000 - \$2999	9.1%	14.7%	20.0%	14.5%
	\$3000 - \$4999	13.6%	5.2%	1.7%	6.6%
	\$5000 or more	10.6%	1.7%	8.3%	5.8%
Estimated average current saving level (at time of commencement) $F_{(2,239)} = 3.6, p<0.05$		\$1407.95 _b	\$811.85 _a	\$1017.08	\$1025.31
Use of credit	Credit card	51.5%	34.7%	56.7%	44.5%
	Store credit	15.2%	17.4%	13.3%	15.8%
	Pay day lenders	0	0	1.7%	0.4%
	Pawn brokers	0	0	0	0
	Personal bank loan	10.6%	4.1%	10.0%	7.3%
	Borrow from family or friends	24.2%	18.2%	20.0%	20.2%
Description of situation $\chi^2_{(6)} = 6.5, p>0.05$	I haven't got enough money to pay the bills	7.6%	2.5%	1.7%	3.7%
	I have just enough to get by on	19.7%	16.7%	16.7%	17.5%
	I have just enough to get by on, with a few extras	45.5%	55.0%	61.7%	54.1%
	I am able to save money which I don't have to spend	27.3%	25.8%	20.0%	24.8%

*Subscript 'a' denotes a significant difference from Campbelltown. Subscript 'b' denotes a significant difference from Frankston.

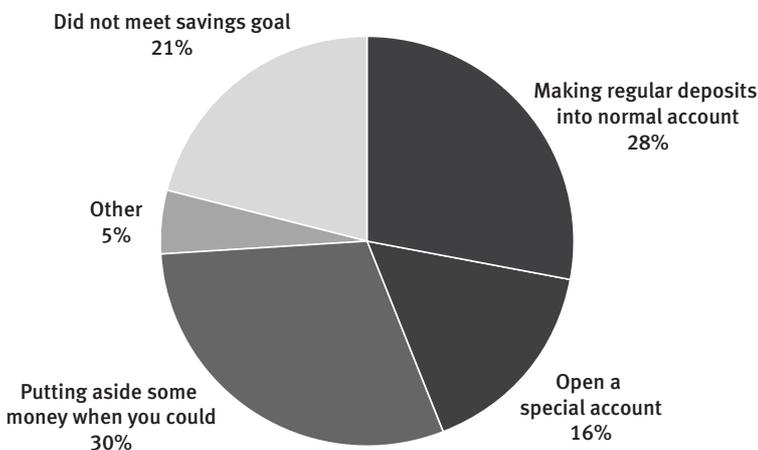
In order to assess success in helping participants develop a savings habit, it was important to find out the saving and spending behaviour of participants before they joined Saver Plus. The results shown in Table 12 are based on self-reporting data gathered from participants before they began the program. Over a quarter (27%) of the participants had never been able to save prior to Saver Plus and 4.4% thought that saving was not important. Nearly half of the participants had attempted to save when they could and an additional 19.8% had tried to save for a specific goal.

In terms of the participants spending behaviour, 31.8% spend all their income as they received it and 44.1% indicated they have major problems setting aside money for large financial outlays when they are required. A proportion of participants (16.0%) feel out of control with their borrowing and credit. The majority of participants (60.4%) felt they could manage for a period of time if they had a major loss of income, and just less than half reported that they have problems setting money aside for major financial outlays. Only small proportions of participants indicated that they had worked out how much they needed for their retirement, and that they had a long term financial plan.

Table 12: Past saving and spending behaviour

		%
Past saving behaviour	I tried to save on a regular basis when I could	48.8
	I saved only when I wanted to save up for something big or special	19.8
	There was no point in trying to save because there was never enough money	27.0
	Saving is not something I thought was important	4.4
		% Agree
	I spend all of my income as I get it	31.8
	I generally feel out of control with my borrowing and credit	16.0
	If I had a major loss of income I could manage for a period of time	60.4
	I have problems setting money aside for major financial outlays	44.1
	I have worked out how much I need for my retirement	8.2
	I have a long term financial plan	18.9

Figure 2: Strategies for meeting savings goal prior to joining program



Respondents were also asked whether they have had a specific savings goal in the last five years. About 42% of the participants reported that they had, and of these, 79% had met their past savings goal. As shown in Figure 2, the most commonly used strategies involved making regular deposits or putting aside some money when they could. No differences were observed across the pilot sites.

6.0 Savings and money management behaviour prior to Saver Plus *cont*

6.1 Money management prior to Saver Plus

The participants completed a questionnaire prior to commencing the financial education program. The aim of the questionnaire was to establish a base line for the pre-training levels of money management skills and financial attitudes of participants.

The first question asked participants about money management in their household. As shown in Table 13, 80.6% of the participants had sole responsibility for financial management in their households, and a further 16.8% had joint responsibility with their partners. Most of the households (75.8%) had fairly constant incomes with a smaller proportion (24.8%) having a fluctuating rate of income. The majority of the participants (78%) read and understand their payslips but 21.1% only understand some of the information on their payslips and 1.1% do not understand their payslips much at all.

Table 13: Basic financial behaviour

		%
Responsibility for money management	Yourself (respondent)	80.6
	Your partner	2.8
	You and your partner jointly	16.5
Income stability	Mostly constant	75.8
	Mostly fluctuates	24.2
Do you read your payslip?	Always	71.8
	Sometimes	26.6
	Never	1.6
Do you understand your payslip?	Very well	78.0
	Some of it	21.0
	Not much	1.1
	Not any	0

Respondents were then asked about their usage of a range of transaction methods, on a scale ranging from ‘never use’ (1) to ‘use always’ (5). The most commonly reported method as indicated by the mean in Table 14 was cash, closely followed by EFTPOS and ATMs. The least commonly used method was store cards, with nearly three quarters of the group never using these. Only 40% of respondents reported using Internet banking.

Respondents were then asked about their usage of a range of financial products. As shown in Table 15 almost all participants had an ordinary bank account either solely or jointly or both, while 2.0% did not. In terms of insurances, 66.4% had sole vehicle insurance (19.1% jointly); and 50% had sole house and contents insurance (28.2% jointly). The majority of participants have superannuation but this is expected because the Saver Plus eligibility criteria call for some employment. About half the sample had a mortgage either solely or jointly. Very small numbers of participants recorded having investment type products such as property, term deposits or managed investments.

Table 14: Transaction types used

	Mean usage score	Never use %
Cash	3.9	0.4
EFTPOS	3.6	7.8
ATMs	3.5	4.8
Direct Debit	3.1	15.7
Debit cards	2.7	35.7
Credit cards	2.6	34.1
BPAY	2.5	47.1
Layby	2.5	26.5
Telephone banking	2.3	48.2
Loans	2.2	35.0
Internet banking	2.1	60.0
Cheques	1.8	49.3
Money orders	1.8	46.5
Store cards	1.5	74.0

Table 15: Financial products used

	Solely %	Jointly %	Both %	Do not have %
An ordinary bank account with a bank, building society or credit union (apart from Saver Plus account)	71.3	16.4	10.2	2.0
Vehicle insurance	66.4	19.1	2.9	11.6
House or contents insurance	50.0	28.2	2.9	18.9
Superannuation	75.6	0.8	2.9	20.6
A home mortgage	27.7	20.3	3.5	48.5
A personal loan	23.7	9.6	0.4	66.2
Private health insurance	14.2	9.5	2.6	73.7
Shares	16.2	3.1	0.4	80.3
A lease or hire purchase agreement	9.4	5.4	0.9	84.4
Managed investments other than superannuation	8.8	2.6	0.9	87.7
Term deposits	8.0	2.2	0	89.7
An investment property	3.1	4.9	0.4	91.6

6.0 Savings and money management behaviour prior to Saver Plus *cont*

The next section of the questionnaire asked participants about their general money management behaviour as shown in Table 16. Only 12.5% indicated they shop around ‘a lot’ when looking for the most appropriate financial product and 22.2% said they shop around a ‘fair bit’. Many participants (37.1%) only shop around a little bit, while 28.2% of participants do no shopping around when choosing financial products.

About 50% of the participants are fairly diligent in checking their bank statements when they are received with the rest of the participants checking it briefly, and only 1.6% of participants disregarding their statements completely. The majority reported monitoring their expenditure carefully without keeping written records with only 2.0% of participants not keeping an eye on expenses at all.

Table 16: General money management

		%
Do you shop around for financial products?	A lot	12.5
	A fair bit	22.2
	A little	37.1
	Not at all	28.2
When you receive your bank statements, how carefully do you check them?	Check the statement against your own records and receipts	29.8
	Read the statement completely and check for errors	25.0
	Glance quickly at the statement to see if anything odd stands out	38.3
	Check the balance and file the statement	5.2
	Disregard the statement	1.6
How closely do you monitor your expenses?	I don't keep an eye on expenses at all	2.0
	I keep my eye on expenses a bit	16.5
	Without keeping written records, I keep a fairly close eye on expenses	53.6
	I use written records to keep a close eye on expenses	27.8

In the next section participants were asked about their financial and general attitudes. As can be seen in Table 17, nearly all participants (96.7%) agreed/strongly agreed that it was important to have a short-term financial plan and a life-long financial plan (95.5%). Only 4.5% of participants thought it was not important to have a life-long financial plan. A small proportion of participants (6.5%) expects the government to take care of their future. The mean score (on the scale where strongly disagree is coded as 1 and strongly agree is coded as 4) show that short-term planning is considered to be slightly more important than life-long planning.

About half of the respondents (49.0%) indicated that planning makes them feel in control of their life and 30.2% feel stressed when experiencing uncertainty. A relatively small proportion (9.0%) like to live day-to-day without being concerned about the future and 7.3% feel it is a waste of time planning because things will change anyway.

Most respondents (73.5%) indicated that it was most likely that they would go to their families if they had a sudden financial difficulty. About half the participants indicated they would approach Centrelink (53.1%) or a bank or other financial institutions (55.7%). However, the majority would be unlikely to go to a financial advisor, a friend, or a church or welfare agency.

When asked about their response to being charged unexplained fees, just over half the participants (57.4%) indicated that they would feel comfortable discussing this with the bank. A proportion of 14.8% of participants would just accept the fees without doing anything further.

In terms of credit card usage, 48% of participants feel credit cards are useful if it doesn't cost interest and 14.8% would use a credit card to buy a gift even if it did cost interest. Participants were asked about responsibility for a second credit card holder's debt and 64.6% of respondents correctly identified the level of liability of a primary credit card holder who authorises a second card holder.

Table 17: Financial and general attitudes

		Strongly Disagree	Disagree	Agree	Strongly Agree	Mean
Attitudes to financial planning	It is important to have a financial plan for the short-term e.g. next 12 months	0.4%	2.9%	56.3%	40.4%	3.4
	It is important to have a life-long financial plan	0.0	4.5%	64.5%	31.0%	3.3
	I don't have to worry about planning for the future because the government will take care of it	37.7%	55.7%	5.3%	1.2%	1.7
					% Agree	
Attitudes toward planning for the future	I like to live day to day, tomorrow takes care of itself					9.0
	Uncertainty about the future makes me feel stressed					30.2
	Plans for the future makes me feel more in control of life					49.0
	It's no use having a plan because things always change					7.3
		Very Unlikely	Unlikely	Likely	Very Likely	Mean
Who would you go to if you had a sudden loss of income or unexpected difficulty?	Family	12.4%	14.1%	34.9%	38.6%	3.0
	Centrelink	21.5%	25.3%	39.2%	13.9%	2.5
	Bank / financial institution	21.1%	23.2%	45.6%	10.1%	2.5
	Financial advisor	41.1%	28.1%	22.1%	8.7%	2.0
	Friend	42.2%	29.5%	20.7%	7.6%	1.9
	Church or welfare agency	38.1%	32.2%	22.0%	7.6%	2.0
					%	
What would you do if you noticed the bank was charging you fees that you were not aware of?	Make a complaint against the bank in person or in writing					13.9
	Make an appointment with the bank to discuss the fees					57.4
	Probably just accept the fees					14.8
	Change bank accounts					13.9
					%	
What is your attitude toward using a credit card to purchase a new bicycle for your child's birthday?	Just too likely to get you into debt					29.4
	Convenient, as long as it doesn't cost you interest					48.0
	A good way of getting something now, even if it costs you interest					14.1
	Other					8.5
					%	
Which of the following describes your responsibility for debt if you as primary card holder authorise a second card holder?	You are not responsible for any debt the other person incurs					8.6
	You and the other person are each responsible for half the total debt					8.2
	You are responsible for debt only if other person is under 18 years					5.8
	You are entirely responsible for any debt the other person incurs					64.6
	Not sure					12.8

6.0 Savings and money management behaviour prior to Saver Plus *cont*

Respondents were asked to rate their knowledge of the fees and charges associated with various transaction methods on a scale ranging from ‘not at all’ (0) to ‘very well’ (6). As shown in Table 18, the highest overall rating was for ATMs with only 7.4% of participants having no knowledge of fees and charges, followed by bank accounts (6.1%) and EFTPOS (11.6%). Lowest scores were for superannuation (42.2%), store cards (47.1%), and telephone banking (40.4%).

Table 18: Knowledge of fees and charges

	Mean score	% Not at all
Your own bank’s ATM	4.1	7.4
Bank accounts	3.9	6.1
EFTPOS	3.7	11.6
Internet banking	3.6	21.2
Credit cards	3.4	21.2
Loans	3.1	23.8
Debit cards	3.0	26.7
Mortgage	2.8	32.6
BPAY	2.3	41.7
Telephone banking	2.3	40.4
Store cards	2.0	47.1
Superannuation	1.8	42.2

6.2 Differences across sites

All of the above variables were examined across sites and very few differences were found. These are summarised below.

- Shepparton participants were less likely to use debit cards as a transaction method; their mean usage score was 2.1 compared with the overall mean of 2.7 and 54.4% of Shepparton respondents reported never using debit cards as compared with 35.7% overall.
- Shepparton respondents are more likely to report having financial products jointly than others. This is clearly related to the fact that a greater proportion of Shepparton based residents are living in couple based families.
- No substantial differences were found between the three locations in terms of financial behaviour, attitudes or knowledge, except that Campbelltown participants reported a significantly lower level of knowledge about the fees and charges associated with mortgages. This is consistent with a lower level of mortgages in the Campbelltown group (36% compared with the overall proportion of 51.5%).

7.0 Saving during Saver Plus

7.1 Items saved for

The participants were directed to save for an education–related product or service that will assist in their child’s secondary schooling. Approved examples include school uniforms, textbooks, school camps, a home computer and associated equipment, tutoring and musical instruments. Potential participants with goals such as saving to cover voluntary fees were not eligible for participation in the program. In particular, the participants were encouraged to choose goals that will ease the cost of transition points in secondary education i.e. at entry to year 7 or to VCE.

Participants were asked about the items they were saving for in an open-ended question format. Many mentioned more than one item and they were therefore coded as multiple responses. Table 19 shows the proportions of people saving for each category of items. It should be noted also, that this information was given at the time of joining the program and many goals changed throughout the participating period. However, as seen in Table 20 computer equipment and accessories was still the most common item purchased with the matched funds.

Table 19: Items being saved for

Item	Count	Percentage of responses	Percentage of Prespondents
Computer equipment and accessories	130	32.1%	52.4%
General educational costs (not specified)	75	18.5%	30.2%
Uniforms	73	18.0%	29.4%
Books	68	16.8%	27.4%
Camp	35	8.6%	14.1%
Extra curricular activities	11	2.7%	4.4%
Sport	9	2.2%	3.6%
Tutoring	4	1.0%	1.6%

7.2 Items purchased

The final range of products purchased included as expected a greater proportion of computers and computer accessories. Other most commonly purchased items were books and school uniforms (although in NSW books are provided by the state school system so there were only a few books purchased in Campbelltown compared to the Victorian sites of Frankston and Shepparton).

7.0 Saving during Saver Plus *cont.*

Table 20: Items purchased

Items purchased	Shepparton	Frankston	Campbelltown	Total
Computers	35	40	48	123
I.T. accessories	10	20	8	38
Stationery	5	26	12	43
Books	18	80	6	104
General school costs	13	55	3	71
Uniforms	22	71	34	127
Shoes	10	37	14	61
Musical instruments	2	4	6	12
Camp	6	20	2	28
O/seas camp or exchange	3	1	1	5
Sports equipment	2	5	5	12
Study furniture	3	7	8	18
Other equipment – arts, ballet, camera	5	4	3	12
Tuition	2	5	6	13
Subject costs	1	21	8	30
TAFE fees		2		2
School photos		1		1
Reading glasses		1		1
Total	137	400	164	701

7.3 Savings goals

As shown in Table 21, 92.4% of participants were successful in meeting their savings goal with nearly 35% of participants exceeding the amount they were saving for. The criteria for success in Saver Plus was meeting the savings goal indicated at the time of joining the program and to save consistently during the program.

It is difficult to compare this success rate to that of ADD as success in that program is not necessarily based on achieving a predetermined goal. However the ADD evaluation deemed 56% of participants as being successful savers at the end of the program. Around 75% of Saving Gateway participants were aiming to save the maximum amount allowable to receive the matched funds (GBP375), with 50% achieving this and a further 19% saving just under the maximum amount. Saver Plus had similar figures with 76.6% aiming to save the maximum amount allowable to receive the matched funds and slightly more participants (79.8%) achieving that amount.

In comparing to prior saving behaviour, the Saver Plus program has indeed encouraged higher levels of savings amongst the participants. Prior to Saver Plus, only 42% of participants had in the past saved for a specific goal with 21% of these unable

to achieve it. Around 39% of all participants had indicated they had previously been able to save regularly and by the end of the program it was encouraging to see that this figure had more than doubled.

There was a far lower proportion of prior savers in Saving Gateway with only 17% of participants indicating they had saved regularly before joining the program. Although one of the criteria for joining Saver Plus was ‘having the capacity to save’, this would have by default included a higher proportion of prior savers and/or it could have either affected the answers provided by the participants on the initial questionnaire.

Most indicated that the education program in Saver Plus provided the tools and techniques that helped make their savings efforts easier, in particular the lessons regarding distinguishing ‘needs’ from ‘wants’ and ‘pay yourself first’ were the most useful in helping the participants meet their savings goal. Consequently 57.8% of participants found it fairly easy to meet their savings goals while 3.4% of participants found it difficult. In comparison, 44% of Saving Gateway participants found it fairly easy to save with around 10% finding it difficult.

Table 21: Meeting the savings goal

		n	%
Did you meet your savings goal?	No, not quite	16	6.8
	Yes, I met my goal	137	57.8
	Yes, and I saved more than aimed for	82	34.6
How easy was it for you?	Usually fairly easy	137	57.8
	Sometimes easy, sometimes hard	82	34.6
	Usually fairly hard	8	3.4

The initial savings goals of the participants ranged from \$174 to \$1000, with a mean of \$933. The majority (76.6%) aimed to save the full \$1000 in order to get the maximum possible matched savings. Most respondents (87.5%) kept their goals throughout the program, but six participants reduced their goals and 24 increased their goals. A summary of reasons given for the change is shown in Table 22. By the end of the

program the average goal was \$951 with 79.8% aiming for \$1000. Those who decreased their savings goals did so mainly because of unexpected expenses or a decrease in earnings. Those who increased their goals did so because they either wanted to strive harder to reach the maximum matchable savings of \$1000 or because they had initially underestimated their savings capacity.

Table 22: Reasons for changing savings goals

Reasons for decreasing savings goal
"I was having trouble putting the money into the account, it was made easier by the direct debits made from Centrelink."
"Not working and with a 6 month old baby, very limited funds at the moment."
"Family – added expenses VCE etc."
"My expenses increased and I had to readjust my goal."
"The working hours cut down, had problems with car, had to buy a new one, more bills to pay, and I had emotional problems."
Reasons for increasing savings goal
"Because I felt the benefits at the end of the year would be much better for me."
"Wanted to meet \$1000 goal."
"To meet the full goal."
"I realised that I could save that bit extra to get the full matched funds."
"I found I had an easier couple of months."
"To reach the goal of \$1000 as I started the program late."
"I received a small refund from ATO which I was not expecting and I added that to the savings plan."
"I wanted to do better and thought it was a way of thanking people involved by saving more than planned."
"I found I could save the money quite easily. So I increased the amount which I also found easy to save."
"Felt comfortable with new amount."
"I found I could afford it."
"I wanted to maximise a great opportunity to get the matched funds."
"Because the cost of camp fees, uniforms and bag were more than I thought."
"Because as time went on I knew I could put away the little bit extra to make it up to \$1000."
"I worked out that I needed more funds for the school year 2005 that I had not anticipated."
"Because I think it is very good and my daughter can have the laptop she wants."
"Because it was fully achievable - I underestimated my saving ability a bit."
"Because I added more money to my account in the middle of the program i.e. from \$3.00 per week to \$10.00 per fortnight."

7.0 Saving during Saver Plus *cont.*

7.4 Program withdrawals

The number of withdrawals from the program was very low. A total of five people dropped out of the program during the program; one from Frankston, one from Shepparton, and three from Campbelltown. Reasons for withdrawing were varied ranging from moving interstate, relationship breakdowns and needing the money for unexpected expenses. At the beginning of the program there was an additional small number of people, termed ‘non-starters’, who made initial deposits but did not progress further on the program.

7.5 Methods for making deposits

Table 23 shows that 51.1% of participants made their deposits using cash most of the time, followed by transfers from other accounts (26.2%), Autopay (15.6%) and Centrepay (6.8%). These figures are similar to that of the overseas programs. For example 64% of Saving Gateway participants made deposits in person using either cash or cheques.

Saver Plus participants who used cash deposits at the bank liked the feeling of satisfaction it gave by physically walking their savings into the bank and getting a receipt or seeing the balance increase in their passbook account. Other participants said it was the direct debit or Autopay methods that made the saving easier because they did not actually see or miss the money.

Table 23: Banking methods used for saving

		n	%
How did you make your deposits?	Cash deposits at the bank	121	51.1
	Autopay	37	15.6
	Centrepay	16	6.8
	Transfer from another account	62	26.2

7.6 Strategies used to assist in saving

Table 24 shows some of the strategies used by participants to assist them in meeting their goal deposit each month. More than three quarters of the group (76.6%) reported giving up some of their ‘wants’ in order to save. The most common ‘wants’ given up were take away dinners and dining out, followed by entertainment such as the cinema or hiring of DVDs. Also, luxury food items and new clothing were mentioned by quite a few respondents. Far fewer reported giving up ‘needs’. Some of the ‘needs’ given up were similar to the ‘wants’. In considering the changes that the participants made to their consumption habits, it should be noted that ‘wants’ and ‘needs’ vary between individuals making it difficult to specify products or services that constitute a ‘want’ and those that are a ‘need’. What is important however, is for the individual participant to make the distinction.

A concerning indicator was the proportion (8.9%) of participants who reported borrowing in order to make their deposits. The sources included borrowing from family and friends (5.1%), using a credit card for items normally paid for by cash (4.7%), extending a current loan (1.7%) and using store credit (0.8%). Saving Gateway also included a proportion of participants who either borrowed from family or friends (3%); were given money by family or friends (5%) or transferred money from another savings account (5%). It is recommended that the Saver Plus results be investigated at a deeper level during the second savings period.

Table 24: Strategies used to save

	%	Examples	n	%
Had to give up some 'wants' in order to meet savings goals	76.6%	Take away / dining out	113	47.7
		Entertainment e.g. cinema, DVD hire	54	22.8
		Luxury food items e.g. chocolate	38	16.0
		Clothing	26	11.0
		Cut back across the board	24	10.1
		Cigarettes or alcohol	9	3.8
		Magazines / newspapers	9	3.8
		Reduced use of car to save petrol	9	3.8
		Major purchases e.g. car, furniture, appliances	6	2.5
		Substituted with cheaper alternatives	4	1.7
		Personal services e.g. massage, haircuts	4	1.7
		Holidays	4	1.7
		Had to give up some 'needs' in order to meet savings goals	15.3%	Cut back across the board
Clothing	12			0.1
Take away / dining out	8			0.0
Postponed expenses	8			0.0
Reduced use of car to save petrol	6			0.0
Luxury food items e.g. chocolate	5			0.0
Entertainment e.g. cinema, DVD hire	3			0.0
Major purchases e.g. car, furniture, appliances	3			0.0
Substituted with cheaper alternatives	3			0.0
Medical expenses	3			0.0
Tried to save on utilities	3			0.0
Personal services e.g. massage, haircuts	2			0.0
Holidays	2			0.0
Car repairs	2			0.0
Shopped for specials	1			0.0
Public transport (walked instead)	1			0.0
Had to borrow or use credit in order to meet savings goals	8.9%			Borrowed from family or friends
		Used credit card for items I would normally pay for directly	11	4.7
		Extended a current loan	4	1.7
		Used store credit	2	0.8

7.0 Saving during Saver Plus *cont.*

7.7 Difficulties in saving

A small number of participants reported difficulties that affected their ability to save during the period. The most common of these was unexpected bills (13.9%), followed by reduced employment income (5.5%). However, 43.4% of those who experienced difficulties were still able to make their deposits or make up for

them at a later date. Many participants who experienced difficulties during the program credit the support of the Relationship Managers in helping them through these periods to still meet their savings goal. Examples of the reasons for savings difficulties are provided in Table 25.

Table 25: Difficulties in saving

	%	Examples	n	%
Difficulties	21.5	Unexpected bills eg. car breakdown, major appliance needed replacing	33	13.9
		Reduced hours (from normal average) of employment for yourself or another household member	13	5.5
		Complete loss of employment for yourself or another household member	11	4.6
		Minor illness of yourself or another family member	7	3.0
		Major illness of yourself or another family member	6	2.5
		Death of a family member or close friend	3	1.3
		Relationship breakdown	3	1.3
How did this difficulty affect your savings?		I still managed to meet my savings goal each month	23	43.4
		I could only deposit a smaller amount	5	9.4
		I had to miss one/some deposits but made them up later	18	34.0
		I had to miss one/some deposits and wasn't able to make up	7	13.2

7.8 Average monthly deposits

Not all participants were involved in the Saver Plus program for the same period of time, and it was not until June 2004 that all participants were signed up. As shown in Table 26, the average deposit climbed steadily over the course of the program fuelled by the participants who were signed up later who still wanted to strive for the maximum matched funds. A similar pattern was also found by Kempson, McKay and Collard (2005) in their analysis of the monthly savings behaviour of participants in the Saving Gateway program. In terms of an international comparison, ADD participants had on average a monthly net deposit of USD\$19.07 and Saving Gateway participants saved on average GBP16.14 per month, although the cross-country comparison of monthly savings amounts is impacted by the differing caps on the maximum matched funds across the different programs.

An analysis of monthly deposit levels across participant characteristics was also conducted using the one way analysis of variance technique. In general there is an absence of statistically significant differences in monthly deposit levels when participants are grouped by demographic characteristics (age, gender, and education), income levels, employment status, past savings behaviour and intentions, and previous and current use and understanding of other financial products. The only area where there is a consistent statistically significant difference across a number of months is where participants are divided in terms of whether or not they achieved their Saver Plus initial savings goal. In this context, participants who achieved or exceeded their initial savings goal had higher average monthly deposits than participants who failed to achieve their savings goal.

It is also possible to analyse the monthly deposits data presented in Table 26 in terms of the relationship between those values and an implied monthly goal for participants. To calculate the implied monthly goal for participants we take their initial savings goal and divide that amount by the number of months that they participated in the Saver Plus program to calculate an implied monthly savings goal. This approach assumes that individuals will aim to reach their goal by depositing the same amount each month and is clearly a simplification. However it does provide a basis for comparison. Thus Table 26 also reports the average ratio (in percentage terms) of the monthly deposit relative to this implicit goal. For the majority of months the deposit levels are above the goal amounts (indicated by ratio values greater than one), and this is consistent with the finding that 92% of participants achieved their savings goal, including 35% of participants who achieved a higher savings figure than their initial goal. Similar to the analysis of the deposit levels there is an absence of statistically significant differences in ratios of monthly deposit levels to

implicit monthly goals when participants are grouped by demographic characteristics (age, gender, and education), income levels, employment status, past savings behaviour and intentions, and previous and current use and understanding of other financial products. The only area where there is a consistent statistically significant difference across a number of months is where participants are divided in terms of whether or not they achieved their Saver Plus initial savings goal. In this context, participants who achieved or exceeded their initial savings goal had higher ratios of average monthly deposits to implicit goals than participants who failed to achieve their savings goal.

The results in Table 26 also present the average number of deposits per participant in a given month. For all months the average number of deposits per participant is close to 2, and this average does not appear to have varied in a systematic manner over the life of the program.

Table 26: Progress of recruitment and average monthly deposits

	Number of participants	Average deposit	Ratio of average deposits to goal	Average number of deposits
Aug-03	7	\$49.43	0.87	na
Sep-03	29	\$46.24	0.78	1.93
Oct-03	36	\$75.41	1.23	2.25
Nov-03	70	\$57.85	0.91	1.90
Dec-03	108	\$68.65	1.03	2.06
Jan-04	138	\$73.67	1.09	1.99
Feb-04	157	\$69.35	1.00	1.97 (*)
Mar-04	197	\$83.63	1.15	2.13
Apr-04	223	\$85.39	1.14	2.13
May-04	243	\$86.21	1.10	2.01
Jun-04	248	\$100.29	1.30	2.07
Jul-04	248	\$94.56	1.19	2.13
Aug-04	248	\$138.48	1.81	2.04
Sep-04	248	\$110.73	1.48	2.14
Oct-04	248	\$124.66	1.68	2.20
Nov-04	248	\$125.35	1.54	2.05
Dec-04	248	\$131.16	1.65	1.85
Total	248	\$1,201.78		

* No data is available on number of deposits per participant in location 2 for February 2004.

7.0 Saving during Saver Plus *cont.*

7.9 Final monthly balances

The final balance was calculated for each participant by adding their deposits and then subtracting any withdrawals undertaken by the participant. Any interest earned on the account was subtracted from the amount eligible to be matched. This was for tax purposes and necessary to receive the class ruling confirming that participants' matched funds were classified as gifts. Across the whole population, the average final balance was \$1198.01. This final balance is above the goal amount of most participants, and is consistent with the results reported in Table 26 where monthly deposits exceeded the implicit values for consistent monthly goals. This was then averaged over the number of months that the participant had been enrolled in the program

giving an average monthly balance across the entire group of \$104.10. These variables were then compared across locations in an effort to see if savings differed between the groups.

As shown in Table 27, there is no significant difference in final balances across locations. There was a significant difference observed for average monthly balances; however, there was also a significant difference in the average number of months in the program by location. On average, Frankston participants had been in the program longer than Shepparton participants, thus the latter had to make larger monthly deposits in order to save a similar amount overall. For this reason the final balance is seen as a better indicator than the average monthly balance.

Table 27: Average balances

Variables	Campbelltown	Frankston	Shepparton	Entire sample
Average final balance (deposits – interest – withdrawals) $F_{(2,245)} = 0.7, p > 0.05$	\$1139.76	\$1168.76	\$1321.56	\$1198.01
Average monthly balance $F_{(2,245)} = 3.8, p < 0.05$	\$103.04	\$93.26	\$127.32	\$104.10
Average months in program $F_{(2,245)} = 12.5, p < 0.05$	11.3 months	12.6 months	10.9 months	11.8 months

Average final balances were then compared across a range of other variables as shown in Tables 28, 29 and 30. Although some interesting trends can be seen, none of these mean differences is significant (tested using Oneway ANOVA). This is largely because of the high level of variance observed in the distribution of final balances (S.D. = \$914.54).

Table 28 shows that although differences were very small, participants in the age group 20 to 39 had the largest average final balance of \$1248 while sole parents had a higher average final balance (\$1214) than couples with children (\$1170).

Table 28: Saving behaviour by demographics

Variables		n	Average final balance
ENTIRE SAMPLE		248	\$1198
Age group	20 - 39 years	98	\$1248
	40 - 49 years	127	\$1175
	50 years and over	22	\$1135
Family Status	Sole Parent	157	\$1214
	Couple with children	90	\$1170
Equivalentised number in household	1.3 – 1.6 people	81	\$1249
	1.7 – 2.0 people	49	\$1247
	2.1 – 2.4 people	66	\$1205
	2.5 – 2.8 people	23	\$1030
	2.9 people or more	26	\$1124

In terms of education, Table 29 shows that participants who had completed school had the highest average final savings balance while those who had completed a university degree had the lowest. However it should be noted that the average balance for participants with all levels of education was above the maximum amount that would be matched (\$1000).

Table 29: Saving behaviour by language and education

	Variables	n	Average final balance
Language spoken at home	English	234	1210
	English plus other	5	848
	Other	9	1078
Education	Part school	63	1115
	Part school + TAFE or other qualification	91	1251
	Completed school	23	1497
	Completed school + TAFE or other qualification	48	1142
	University	23	1034

7.0 Saving during Saver Plus *cont.*

Participants who were in households with a single income from part-time employment had the highest average final balance while those with single income from full-time employment had the lowest. Those who received their primary source of income from paid employment had a slightly higher average final balance than those receiving income from the government or other sources. As expected, those with a higher equivalised weekly income had a slightly higher average final balance than those with lower incomes (see Table 30).

Those who had managed to save before the program had slightly higher average final savings balances than those who had never saved. Similarly, those who had described their situation as ‘being able to save money they don’t have to spend’ had a higher average final balance than those who said they ‘haven’t got enough money to pay the bills’. However, this small number of participants was still able to save and the average amount was approximately three quarters of the maximum matchable amount (see Table 30).

Table 30: Saving behaviour by income, source and prior saving behaviour

	Variables	n	Average final balance
Income sources	Single income, casual	68	1105
	Single income, part-time	97	1321
	Single income, full time	54	1066
	Dual income, mixed employment status	24	1270
	Dual full time incomes	5	1149
Primary source of income	Paid employment	165	1242
	Other source	83	1110
Equivalised weekly income (weekly income divided by equivalised number in household)	\$125 - \$250	29	1066
	\$251 - \$375	107	1152
	\$376 - \$500	96	1268
	\$500 or more	13	1415
Prior savings pattern	Save something every week	96	1129
	Save sometimes but not regularly	92	1344
	Don't save anything	58	1092
Prior savings level	Less than \$50	68	1097
	\$50 - \$199	29	1053
	\$200 - \$599	63	1211
	\$600 - \$999	17	1690
	\$1000 - \$2999	35	1119
	\$3000 - \$4999	16	1488
	\$5000 or more	14	1045
Description of situation	I haven't got enough money to pay the bills	9	754
	I have just enough to get by on	43	1171
	I have just enough to get by on, with a few extras	133	1168
	I am able to save money which I don't have to spend	61	1350

7.10 Patterns of saving behaviour

Table 31 gives a summary of the saving behaviour of the participants while in the program. The majority of the participants saved on a consistent/variable basis – that is, they did not miss a deposit, made no withdrawals but the amount deposited was variable on a scale greater than \$10. This is a particularly encouraging result demonstrating that the primary objective of the program was met by most participants (72.5%), showing they were able to develop a savings habit (albeit in the short-term). Approximately 18.5% of participants were sporadic in their saving, having missed one or more

deposits. The consistent savers (10.5%) made regular deposits of the same amount (within \$10). There were 8.8% of participants who made withdrawals during the program.

However, contrary to our expectations, those participants who made withdrawals had the highest average final balance in their saving accounts. Perhaps this indicates that they were saving more than their goal and withdrew excess amounts when it was needed. Those who saved consistently had the lowest average saving balance, which could mean that those who set more realistic savings goals were more sustainable in their efforts.

Table 31: Patterns of saving behaviour and average final saving balances

	n	%	Mean
Consistent – (deposits made with a standard deviation of less than \$10)	26	10.5	908.2985
Consistent / Variable – (deposits made with a standard deviation greater than \$10)	154	62.1	1244.1301
Withdrawal	22	8.8	1265.0014
Sporadic – (missed 1 or more deposits)	46	18.5	1175.3311
Total	248	100.0	1198.0123

7.0 Saving during Saver Plus *cont.*

A further analysis of the month by month savings behaviour along the lines of that carried out by Kempson, McKay and Collard (2005) in their analysis of Saving Gateway can also be conducted. Specifically for each individual we compared their deposit levels across individual months to examine if they had made no deposit, or their deposit amount had stayed the same, increased or decreased (see Table 32). In total we are able to identify 2696 monthly pairs for participants in the dataset. At the overall level the most likely response (41.7%) is for a participant’s deposit level to remain the same, although a sizable proportion either increase (30.4%) or decrease (22.5%) their deposit level. Only a small proportion of paired participant months identify zero deposits (5.4%). It is also possible to disaggregate the analysis further along the lines of the deposit behaviour in the previous month. For those who made no deposit in the previous month, the overwhelming

majority (76.5%) make a deposit in the next month, although a significant proportion (23.5%) does not make a deposit in the subsequent month. For those who make a deposit below the average deposit of all participants for that month, the majority maintain their deposit at the same amount (45.8%) or increase their deposit (33.1%), with much smaller percentages decreasing (11.0%) or making no deposit (4.1%) in a subsequent month. For those who make a deposit above the average deposit of all participants for that month, the majority maintain their deposit at the same amount (34.8%) or decrease their deposit (41.8%), with much smaller percentages increasing (18.2%) or making no deposit (5.2%) in a subsequent month. Overall this is similar to the consistent pattern of participant savings behaviour previously identified in Table 31, and provides further evidence on the development of a consistent savings habit.

Table 32: A comparison of monthly deposit levels

Deposit Current Month	Deposit Previous Month			
	Nothing	Below Average	Above Average	All
Nothing	23.5	4.1	5.2	5.4
Decreased	0.0	11.0	41.8	22.5
Same	0.0	45.8	34.8	41.7
Increased	76.5	33.1	18.2	30.4
Number of pairs	102	1687	1007	2696

7.11 Income levels throughout the program

Table 33 shows that 58.9% of participants have enjoyed income stability over the period but about 21% had seen a reduction in income at the time of completing the program and about 20% had experienced an increase in household income.

Table 33: Income levels throughout program

	Examples	n	%
Has your household income changed since you first started on the Saver Plus program?	Yes, our household income has gone down a lot	26	11.0
	Yes, our household income has gone down a little	24	10.2
	No, our household income is about the same	139	58.9
	Yes, our household income has gone up a little	29	12.3
	Yes, our household income has gone up a lot	18	7.6

8.0 Post-program savings and money management behaviour

8.1 Planned saving behaviour post Saver Plus

At the very completion of the Saver Plus program, participants were asked if they hoped to continue saving in the future and an encouraging 98.8% said they do hope to (see Table 34). Indeed, 26.2% believed they would be able to save even more each month than what they did during the program. Only 1.2% of participants said they wouldn't be able to save regularly after the program had finished. In terms of future saving intention, the proportion of Saver Plus participants is much higher to that of Saving Gateway participants of which 40% said they intended to save regularly in the future. Although a further 47% said they would save when they could, around 6% of Saving Gateway participants did not intend to save at all. However, in all matched savings programs, it is only a longer-term assessment that would be meaningful in measuring the actual future saving behaviour of the participants.

Table 34: Planned saving behaviour post Saver Plus

	Examples	n	%
Do you think you will be able to continue saving now that the program is finished?	Yes, I think I should be able to save even more each month	62	26.2
	Yes, I should be able to keep saving the same amount each month	135	57.0
	Yes, but a smaller amount each month	37	15.6
	No, I don't think I'll be able to save regularly	3	1.2

*Source: Final questionnaire

8.0 Post-program savings and money management behaviour *cont.*

8.2 Actual saving behaviour post Saver Plus

Approximately three months after the completion of the savings period (i.e. March/April 2005), participants in the focus groups were asked about their saving behaviour since the program had finished. Table 35 shows that the majority (84.2%) indicated that they were still saving, and of these nearly half (46.9%) were saving the same amount as on the program and 34.4% were actually saving more than they did while in the program³. This is a slightly larger proportion to what was predicted by the participants in December 2004. Similar to the patterns

observed during the program, there is a wide range of amounts being saved by the participants, ranging from 6.3% saving between \$1 and \$25 with most (31.3%) saving between \$76 and \$100. Most of the participants have developed a regular savings habit with 60% saving the same amount each fortnight or month. Only 13.3% of participants have not been able to save regularly since the program finished. The majority (78.1%) of the focus group participants are still using their ANZ Progress Saver Accounts.

Table 35: Actual saving behaviour post Saver Plus

		n	%
Are you still saving?	Yes	32	84.2
	No	6	15.8
What amount are you saving?	The same as on Saver Plus	15	46.9
	More than on Saver Plus	11	34.4
	Less than on Saver Plus	6	18.8
Approximate savings per month	\$1 – 25	2	6.3
	\$26 – 50	6	18.8
	\$51 – 75	2	6.3
	\$76 – 100	10	31.3
	\$101 – 125	1	3.1
	\$126 – 150	6	18.8
	\$151 – 175	2	6.3
	More than \$225	3	9.4
How would you describe your savings habit since finishing the program?	I save the same amount each fortnight / month	18	60.0
	What's leftover after expenses usually different amount each month	3	10.0
	Target amount each month, but value of that amount varies	5	16.7
	I have not been able to save regularly	4	13.3
Are you still using your Progress Saver Account?	Yes	25	78.1
	No	7	21.9
Are you saving toward another goal?	Yes	27	84.4
	No	5	15.6

³ Given the number of participants in the focus groups (38) as compared to the overall sample size (268), the focus group may not be representative of the total number of participants.

8.3 New savings goals

Nearly 85% of the focus group participants are now saving toward another specific goal. A summary of the range of these goals is presented in Table 36. Most of the goals include holidays or planning towards Christmas. Encouragingly, some

participants were looking towards greater asset accumulation by saving towards a deposit for a house or house renovations. One participant indicated saving to start a new business.

Table 36: New savings goals

“Car registration and bills after Christmas plus school supplies.”
“Christmas.”
“Christmas holiday and Planet Shakers for 2 teenagers.”
“Christmas presents and school books.”
“Deposit for house.”
“Education / Holiday.”
“Education and Christmas.”
“Family holiday.”
“For a family holiday we have never been on, bathroom renovations.”
“Holiday – small, but it’s a start.”
“Holiday.”
“Holiday and closing carport in.”
“Holiday for grandchildren.”
“Holiday to Tasmania and my other son at University now needs an Apple Mac Computer.”
“Home loan.”
“House improvements – renovations etc.”
“Medical Benefits Private Fund.”
“Minor home improvements.”
“My daughter’s student exchange trip to Japan.”
“New washing machine.”
“Renovations.”
“School camp for my daughter in 2006.”
“To buy a car.”
“To set myself up in business.”

8.4 Changes in money management behaviour

The focus group participants were also asked to indicate and discuss any changes to their ability to manage their money since completing the program (see Table 37). Nearly all the participants (94.7%) reported an increase in their financial and money management capabilities.

Table 37: Rating of ability to plan and manage money since the program

Has decreased a lot -3	-2	-1	Hasn’t changed 0	+1	+2	Has increased a lot +3	Mean
0	0	1 (2.6%)	1 (2.6%)	7(18.4%)	11(28.9%)	18(47.4%)	2.16

8.0 Post-program savings and money management behaviour *cont.*

Table 38 lists how the participants have made specific changes to their money management behaviour with many reporting the increased use of a budget to help them manage their money. While many of the participants already knew that budgets are important, it was not until they undertook the education program that they gained the knowledge and skills to draw up a budget that was relevant to their circumstances.

Distinguishing between ‘wants’ and ‘needs’, as already discussed in Section 7.6, has been a useful tool that not only assisted the participants in their savings efforts during the program but also has had a longer lasting impact on their money management capabilities. All focus group discussions revealed that this simple but effective technique was one of the most valuable lessons learned in the education program.

Encouragingly, one of the reported areas of change in money management habits is in savings behaviour and attitude. Having their savings efforts rewarded in the program has led to a desire to continue to save and to incorporate saving as a regular money management tool.

At the very least, the program has given the participants a greater awareness of their current money management habits and therefore highlighted areas where they need to make changes. A common reaction from the participants in the focus groups was their amazement at discovering sources of financial leakages. From this, participants were able to make, in some cases rather simple changes such as making lunches instead of buying, and noticed a significant difference in their abilities to save.

Table 38: Changes made to money management habits

Budgeting
“Planning monthly budget, preparing a list of items to be purchased before going shopping.”
“Monthly budget, buying in bulk, growing products off the land (meat, vegies), knowing how to manage my finances.”
“Weekly budget. Bank money each week. Don't touch the money until needed.”
“Apart from the regular deduction directly from my pay into the savings account (for Christmas), I have an idea on when bills are due and there is generally enough money to cover the bills as they come in.”
“Sticking to budget and still saving in Saver Plus account.”
“Monthly budget. Put saving first.”
“Re-evaluate budget every 3 months.”
“I'm aware of when in the year I'm poorest, so I need to make sure I start saving for next year's 'hole' i.e. start of school year!”
“Started a money program on the computer to assist with budgeting. Buying mainly needed items when grocery shopping.”
Wants vs needs
“Got to keep saying, “No, I don't need it,” when shopping.”
“Needs and not wants. We now have funds in investment accounts to fall back on if an unexpected expense arises.”
“Thinking, “Do I need it?” first. Always!”
“Thinking before buying, learning to pay yourself first, not impulse buying.”
Family management
“Learnt to say, “No,” to kids. Shop with a list. Budget more.”
“ Avoid letting my husband shop as he would buy items he fancied.”
Saying, “No,” to the kids - it's ok to say, “No.” Plan ahead.”
Goal setting
“Making a goal and sticking to it.”
“Make sure there was money put away each month towards my goal.”
Saving
“Just continuing to save \$1000 per year and plan to continue after Saver Plus finishes.”
“Save every week, cut down on take-always, take my lunch to work instead of buying it, stop buying magazines.”
“I've decided to save on a regular basis. What a wonderful way to have money at the end of the year.”
“I manage my money more effectively and save better.”
“Having two accounts - one for bills only and savings and another account for everyday use.”
Awareness of leakages
“Using a shopping list, look a little more closely at where money is going.”
“An awareness of where money is coming from and going to, and certainly a consolidation of the worth of delayed gratification.”
“More aware of how easily money slips through your fingers.”

9.0 Impact of the program

9.1 Overall experience and benefits of Saver Plus

When asked about their experiences on the program, 99.6% reported a positive experience with nearly 85% choosing the most positive rating as shown in Table 39. Only one participant reported a slightly negative experience, the reason given for this was:

“At the end of the program, things started getting complicated, especially when shops started refusing to accept cheques and to get a cheque organised we had to make too many trips between shops and [partner organisation] office and ANZ bank - waste of time and money.”

Table 39: 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	1(0.4%)	0	6(2.5%)	30(12.7%)	200(84.4%)	2.81

The impact of the program on the participants was varied and included benefits as a direct result from receiving the matched funds to more intangible benefits of increased confidence, reduced stress and feeling more in control of their lives. From the results below it is overwhelmingly evident that the program has been successful in meeting the objectives.

Participants were asked to rate the benefits of the program on a four-point scale ranging from ‘no benefit’ (0) to ‘a major benefit’ (3). The top three benefits were: developing a savings habit (42.3%); getting the matched funds (44.8%); and being able to purchase the products saved for (39.5%). However, it is clear from the results presented in Table 40 that the perceived benefits of

the program are far more substantial with all of these benefits being rated at least as a moderate benefit (2) and ranking in the top three for at least some participants.

It was encouraging to note that when considering that 88.2% of participants joined Saver Plus with the primary motivation of obtaining the matched funds, to then seeing that by the end of the program only half that number of participants saw the matched funds as being one of the top three benefits of being in the program. Clearly, a shift in priorities occurred during the program for many of the participants with developing a savings habit coming to the fore as a major benefit.

Table 40: Rating and ranking of the benefits of the program

	Mean rating	Rankings		
		Most important	Second most important	Third most important
Developing a savings habit	2.9	14.5%	16.1%	11.7%
Getting the matched funds	2.9	19.8%	10.5%	14.5%
Getting what we are saving for e.g. computer, school supplies etc.	2.9	15.3%	15.3%	8.9%
Feeling satisfied with myself for being able to achieve this	2.8	4.8%	6.5%	6.5%
Reducing my stress about how I was going to be able to pay for school costs	2.7	12.9%	11.3%	12.1%
Feeling supported, that somebody cares enough to help me	2.7	2.4%	1.6%	6.5%
Being more aware of what I spend money on	2.6	4.0%	6.0%	6.9%
Knowing who to go to when I need help	2.5	1.6%	2.4%	2.4%
Feeling more in control of my life	2.4	5.6%	3.6%	3.6%
Being able to now teach my children about saving and financial matters	2.4	1.6%	4.4%	6.9%
Learning new ways to reduce my weekly budget	2.4	4.4%	4.0%	8.5%
Getting my finances organised	2.4	2.4%	4.0%	4.0%
Gaining confidence in handling my finances	2.3	6.5%	2.8%	1.6%
Learning about technical financial matters (e.g. different account types, interest rates, financial products)	2.1	2.0%	4.0%	2.8%
Meeting new friends who are facing similar challenges	2.0	0.4%	1.2%	2.0%

9.2 Impact of learning new knowledge and skills

A selection of comments about the impact of learning new knowledge and skills in the program is reported in Table 41. The comments show that all elements of the program combined to make the program successful. The participants credited the positive experiences to the education program; the support from the Relationship Manager; the enjoyment from the classes and meeting other people who are dealing with similar life issues; the actual product purchased and the difference it has made to their child and family; and having pressure relieved at the beginning of the school year knowing expenses are taken care of.

The obvious increased levels of self-confidence in the participants were an additional benefit from the program. The holistic design of the program, including education and coaching support worked effectively towards not only assisting the participants in achieving their savings goal but also instilled in them over the course of the program a sense of greater control over their lives and a sense of worth. In the focus groups, participants told of how they are now unafraid of asking questions when they don't understand documentation

from Centrelink or from the bank; they are more aware of their rights as consumers; they feel that they are no longer in a stagnant situation financially or socially; and many of these positive feelings are passed onto their children.

Making informed choices was another benefit gained from the knowledge and skills acquired through the program. Having more confidence in decisions made, regarding consumption or otherwise, will naturally bring feelings of greater control and increased levels of self-confidence. A significant contributor to and symptom of financial exclusion are the feelings of individuals or sectors of society of being without choice. Decreasing feelings of vulnerability was an important aspect of the education program.

The increased levels of self-confidence came not only through the somewhat ephemeral achievement of a goal but through the empowerment that comes with the accumulation of knowledge and skills. In addition, some participants found increased self-confidence by overcoming the initial barrier of fear in attending the education classes. This in itself was valuable.

Table 41: Impact of learning new knowledge and skills

Developing a savings habit
"Learning about money and developing a savings habit."
"It has helped me to continue saving in the long term and I also now have an ING Account which I save in on a regular basis."
"It helps save money and the extra from the ANZ goes a long way forward - uniforms, books, school fees etc."
"Once I started putting money away it became quite easy and I didn't actually miss the \$30. Now I have a lump sum. If I hadn't started Saver Plus I wouldn't have that sum. Now that I'm in the habit of depositing the money, I am continuing to do so."
"The Saver Plus Program forced me to save although it was only a small amount per week. I had made a commitment. I learnt that even small amounts of regular savings are invaluable in the long run."
"It helped me develop a savings habit, which I never had before."
"The discipline of saving has become a regular habit."
"It was a good opportunity to learn how to save and get into a plan of saving."
"I managed to save the money and learned how to budget a bit better. I am also determined to keep saving."
Greater self awareness / Realisation of one's abilities
"Although initially I joined the program for the matched savings I found the financial training to be very beneficial. Being a non-saver, having gone through the program and actually saving \$1000 has made me realise I am able to save."
"I've managed to save some money and get matched funds for them. I've got some financial knowledge. I was not always organised to follow advice I was given on sessions."
"How you can deposit \$50 a fortnight and not miss it, leaving it untouched soon mounts up."
"I have learned many things since being in this program. One of which is that I now know that I am able to put money aside without missing it too much."
"I have managed to save money whereas usually I have trouble saving."
"I have never been able to save any amount of money before."
"Learned to change attitude to saving and reaching goals."

9.0 Impact of the program *cont.*

Table 41: *Impact of learning new knowledge and skills cont.*

Greater self awareness / Realisation of one's abilities <i>cont.</i>
"Routine of saving became very easy. Every person was very pleasant."
"Well not only did I have the opportunity to learn about saving, I also learned where my money was being wasted."
"The opportunity to learn about how I save and spend money was invaluable. The training we received was great. The Relationship Manager was very good at what she did. The matched savings was an incentive no struggling, low-income parent could refuse."
Better personal and household financial management
"I thought it was a very positive experience. Not only for matched funds, but I learned a lot about budgeting and managing finances. Eg. Knowing the difference between needs and wants and paying yourself first."
"It was positive as it gave me a way to save money but did not reach my goal due to financial difficulties."
"Quite positive – made you re-think your spending habits (amounts spent and reasons for spending). Also made me realise the need for budgeting and planning."
"The Saver Plus Program has taught me to be more careful with my spending, and to value the money I earn more carefully. I have kept my credit card at the lowest level ever – very manageable!"
"I now have good budgeting skills."
"My husband and I have talked about doing a budget for a long time, but we have finally sat down and worked out how much money needs to be put aside each week to cover bills, mortgage etc. Think we'll be more careful knowing how much is for savings and bills."
"I learnt a lot about saving."
"I gained knowledge of financial literacy, especially regarding loans and credit cards."
"By joining this program, I now know how it works and how we can save money in a family with children."
"Usually I'll spend the money first then save (if we have money left and don't use it all). But now, I put the money for savings first then spend the rest for what the family wants."
Sharing with the family
"I have begun to discipline myself again in regards to savings and the children are now also involved."
"I have been more aware of how I spend my money. The support and training has been very useful. Something that I always will remember and train my own children."
Increased confidence and motivation levels
"I have learnt some valuable information to help with day-to-day savings. It has given me incentive to save and keep saving."
"It gave me the incentive to save \$1000, which I never thought possible. It showed me how \$20 a week can quickly start to add up in no time at all."
"Because although I knew how to budget I didn't think I could save money and it motivated me to put money away on a regular basis and still survive financially."
"It gave me the incentive to save when I would not otherwise have done. The course was done in a very friendly atmosphere."
"The workshops/information sessions provided excellent information on how to manage and control our finances, provided opportunities for questions and feedback, and helped us to achieve our savings goals with added inspiration to continue saving."
"I needed the encouragement to actually save for a goal – I do budget but not long term save – I live within my means but have no back-up finances which I would like to have if my washing machine breaks down – fridge etc."
Having a support network
"Although I have always been able to save it has demonstrated how a small consistent effort can add up without any stress. The added incentive at the end was a fantastic bonus. It has shown how the Brotherhood really does care and wants to help."
"It's made us regular savers. We've met and are working with really professional and committed people from the [community organisation]."
"I have always had a problem with any sort of savings and the program has helped me to make saving a priority and something I will continue with. The support and help from [Relationship Manager] has been invaluable."
"It has been very beneficial. It has taught me how to reach goals by simply saving. The atmosphere and people were very helpful and it was a great experience."

Table 41: Impact of learning new knowledge and skills cont.

Making informed choices
“Because after reaching my matched goal I’m still continuing to save. I’m also more conscious when shopping for food etc. and leisure items. It taught me to budget and how to still enjoy life but by taking a cheaper avenue.”
“I have learnt to budget and save in positive ways without drastically changing my lifestyle.”
“It got me into a regular savings habit as well as giving me a lot of useful information on ways to save money.”
“Apart from the matched funds, the information given each session was very useful to me. I have been able to cut costs and know more now about banking fees etc. and where you can turn to get help if you really need it.”

9.3 Relief of pressure and stress

The following comments in Table 42 reveal a sense of relief of financial pressure that many participants have never experienced before. Especially in the rural region of Shepparton the drought conditions has added extra stress financially to many of the farming participants and there were heartening stories of how the program has eased that stress even if in a relatively small way.

Due to the criteria of the pilot, all the participants have felt the same pressure regarding their child’s education. All participants have found the pressure point of a new school year demanding and stressful. It was delightful to hear at the final focus group sessions, participants not feeling this pressure for the first time at the start of the new school year. Some participants had arranged with the school to have the whole year’s extra curricular expenses paid from the matched funds – and their relief was evident.

Table 42: Relief of pressure and stress

“Learning to save and heaps of help with education expenses.”
“The matched savings have been fantastic. I have been able to purchase uniform, books, stationery. I have enjoyed learning and meeting people in education class. It has been good to learn how to save money regularly.”
“The beginning of 2005 will be enormously easier with less financial stress (i.e. beginning of school year).”
“It was rather nice to have \$2000 to pay off education needs rather than “skimp to save” and worry about expenses.”
“The timing of this program was very opportune. We are a farming family and were experiencing consecutive dry and drought years. Financially very helpful, plus the refresher information and the camaraderie with other participants was enjoyable.”
“Everybody has been of great help and to be encouraged to save is excellent. High school fees were thought of as a nightmare but with this program it has been a relief.”
“This is a unique and educative program for the parents. We could learn how to manage the funds. Especially the income vs expenditure. This program helped me to relax.”
“It really helped us cope as we are struggling financially. It took a lot of stress off us to know that a lot of our eldest daughter’s school costs would be met. I also found the information sessions very interesting. Encouraged me to keep saving.”
“The help that I got from the Brotherhood of St Laurence and the ANZ Bank has been wonderful and it has helped me so much in paying for our kids’ education. I couldn’t have done it without them.”
“The relief from a financial aspect. The programs were informative and [the Relationship Manager] made the whole process very easy.”
“Helped me tremendously with my financial situation, when purchasing school and sports needs.”
“Took the stress away from finding the finances in January. I didn’t notice the deductions from my pay. The staff have been fantastic. Networking with other parents was supportive.”
“It’s the awareness that now I will keep up the savings. Without the Saver Plus program I would have had financial problems and it would have stressed me out because I didn’t really take into account the cost of starting secondary school.”
“Having to bank a set amount to account each month, knowing that come time I wouldn’t have the stress through Christmas to also have cash up for school expenses, the education phase for finding out about resources available in the area.”

9.0 Impact of the program *cont.*

9.4 Impact of achievement

In conducting the final focus groups we noticed a marked difference in the levels of confidence and positive attitudes amongst the participants. The sense of achievement in their success was clearly evident. For many participants, this was the first time they had felt successful at saving and to see tangible results from their efforts was extremely rewarding for them. Table 43 provides an indication of their sense of achievement.

This sense of achievement has led to the setting of future goals as indicated in Section 8.3 and has also contributed to their increased levels of self-confidence.

Table 43: Sense of achievement in reaching a goal

“Made us aware that we are able to save money for long term goals and will continue to save as a result.”
“I had a commitment and goal to aim at and felt very determined to achieve my task.”
“Knowing that saving is not impossible if there is a goal at the end in saving for an item you want.”
“It encouraged me to save and showed me that I could do it.”
“I reached my goals, the research program was informative and non-judgemental. An enjoyable experience. Thank you.”
“Supportive staff. Once I set the goals I just kept working towards it - a sense of achievement. I found the financial training interesting and took on board some of the suggestions.”
“Commitment to saving for a worthwhile goal. Useful and practical information received. The reward received for the benefit and use of children’s education.”
“I was given the opportunity to do something positive for myself and my family and received great satisfaction in reaching my goal for myself and my children’s benefit. All good. I’m very happy.”
“It was quite a liberating experience. There was a sense of accomplishment and control, which is a very positive feeling. Thank you.”
“Felt good to save to reach a goal and achieve it. To keep applying and disciplining myself to save, the benefits are what’s been learnt and practised and reaping the benefits looking at the bigger picture.”

9.5 Impact of education program

Despite initial hesitancy about the compulsory nature of the education program, participants found the program invaluable in their savings efforts and enjoyed it immensely. In addition to the substantial impact that learning new knowledge and skills has had on the participants (see Section 9.2) many also found the classes to be an opportunity to build friendships and create support networks. Table 44 lists some personal comments from the participants regarding the value of the group interaction.

Table 44: The education classes/group interaction and forming networks

“Group input was very informative and was lead by a very good trainer with well structured meetings.”
“With the groups we shared ideas on how to save money etc.”
“Very positive training sessions, great discussion which enabled us to learn new things. Meeting goals, attaining matched funding, very positive, very rewarding.”
“Interesting views from other participants re their experiences with money, bills, saving and spending etc.”
“The experience generally was very positive. I enjoyed being with people who really had an understanding of how difficult raising children can be. [Relationship Manager] made a very good leader and was able to assist people on any level.”
“Everything was explained very well. Easy to understand and fun too.”
“A very detailed exercise and just hearing other people in your same position and hearing how they cope, what they do to manage – it all helped greatly.”
“I found it extremely helpful to share and gather ideas from other participants. It was interesting to find out what other people do.”
“Managing to save money. Learning other people’s ways of budgeting and saving money. Meeting the group at the group session.”
“I enjoyed our meetings, sharing ideas and experiences. The “Pay Yourself First” idea was motivating.”
“Ideas and info gained through sessions. Realised the expense of schooling more fully. Forced savings for a necessary cause. Well presented.”
“I gained valuable information and started a pattern of saving which I wasn’t doing before. I met some lovely people with whom I shared and they shared great life stories on financial matters.”
“Meet others in similar circumstances and get advice and share experiences. Help with financial advice and money.”
“I loved the classes and felt valued for my input. The whole group was great.”
“It was interactive and we learned from the host of the program as well as from each other.”
“All the participants had a lot of input and I learnt a fair bit about savings and where to buy things at good prices.”
“Made me realise it is possible to save when I didn’t think it was. Also made me realise that there are plenty of other people in similar circumstances, so it has helped my self-esteem.”
“I found the program very educational and rewarding. I have formed friendships with other participants. [Relationship Manager] was great – very supportive.”
“I have realised how easy it is to save when you put your mind to it. To have support from staff and training was so valuable and to be able to listen to other people in the same situation and share ideas on saving was a great experience.”
“Great to meet other mums who valued education. To share my budgeting successes and to gain from the experience of others, to learn more about how the banks tick and appreciation for the ANZ’s generosity. [Relationship Manager] was also a wealth of information and support.”

9.0 Impact of the program *cont.*

Participants were asked to rate the usefulness of the education program on a scale ranging from ‘not at all useful’ (0) to ‘extremely useful’ (4). As shown in Table 45, the majority of respondents rated the usefulness highly with mean ratings for each module exceeding 3. Module Two was rated most highly but the differences are insubstantial.

Table 45: Usefulness of the financial education program

	Topics covered	Not at all useful				Extremely Useful	Mean
Module 1	Define financial literacy, define savings, define SMART goals, examine schooling costs, determine savings goal	0.4	3.8	17.0	31.9	46.8	3.2
Module 2	Calculate net worth, create personal spending plan, differentiate between needs and wants, ‘pay yourself first’	0.4	2.1	14.5	33.6	49.4	3.3
Module 3	List ways to generate money, define cash flow, examine attitudes which might be an obstacle to achieving goals, rectify spending leaks	0.9	3.0	17.0	36.6	42.6	3.2
Module 4	Describe how life events impact on goals, identify obstacles and personal resources, describe circumstances that may influence spending decisions	0.4	4.3	16.6	32.3	46.4	3.2
Module 5	Define credit and debt; compare regulated and unregulated financial institutions; define saving, risk and return; calculate compound interest; understand credit cards and other bank services	0.8	4.7	19.1	31.1	44.3	3.1

Over two thirds (67.4%) of the respondents supported the idea of adding additional information to the sessions. The most common topic suggestions were Internet and phone banking, financial counselling, and superannuation. Other topics mentioned are reported in Table 46.

Table 46: Additional topics for the financial education component

		%	Skill areas	n	%
Would you like to see more information added to the program?	Yes	67.4	Internet and phone banking	88	37.1
			Financial counselling	71	30.0
			Superannuation	69	29.1
			Centrelink benefits	63	26.6
			The psychology of shopping and impulse buying/understanding shopping motivations	60	25.3
			Basic computer skills	58	24.5
			More expert guest speakers	32	13.5
			More practical activities	13	5.5
	Other	17	7.2		
No	32.6				

The participants also indicated a range of other topics they would like more information on. Table 47 provides a summary of their suggestions. When compared to the interim assessment

on the education program, the final results reveal a greater interest in sourcing knowledge on term deposits and investment strategies.

Table 47: Suggested improvements to content

“Costs in more depth i.e. school and TAFE etc.”
“Explain term deposits and life insurance.”
“How to increase your wealth.”
“Investment advice.”
“Learning how to calculate percentages.”
“Retirement planning.”
“Bank practices and the myriad charges applied to regular accounts.”
“The best ways to reduce debts.”
“To increase income, training availability to help people re-enter workforce or learn new skills.”
“How to reset once a goal is reached.”

The participants were also asked for their opinions on other areas of the education component that could be improved.

Below is a summary of the suggestions:

- An insight into the psychology of spending and saving
- More guest speakers from the bank or other financial service institutions
- An establishment of a mentor or ‘buddy’ system to continue the provision of support outside of the program
- Further financial counselling
- Provision of other relevant reading material or references

The participants were happy with the structure and delivery of the program with a few participants suggesting the following improvements:

- Include the development of a children’s version of the program
- Provide different levels of content to cater for the variety of base line knowledge
- A self-paced version to allow for individual circumstances
- Conduct a reunion to catch up with the class groups to see how everyone has progressed since the program

9.6 Impact on the family

In addition to the expected benefits from receiving the matched funds and being able to purchase the products saved for, there were many additional benefits that were accrued by the participants as a result of being involved in the Saver Plus program. Table 48 shows that 97.3% of the participants in the focus groups reported positive effects on themselves and their

family due to their savings achievement. One participant indicated a negative impact on their family. The reason given for this was:

“The kids feel like they’ve missed out on things because of my savings effort with any extra money I had.”

Table 48: Rating of the effect of the savings achievement on participant and family

Very Negative -3	Somewhat Negative -2	Slightly Negative -1	Neutral 0	Slightly Positive +1	Somewhat Positive +2	Very Positive +3	Mean Score
0	1 (2.6%)	0	0	0	4 (10.5%)	33 (86.8%)	2.76

9.0 Impact of the program *cont.*

Many of the comments from participants indicated that the intangible benefits seem to be far more important to them than the ephemeral benefit of the matched funds. Table 49 reports of participants being given ‘skills for life’ and an implication of a greater sense of self-confidence because of their achievements.

Table 49: Effect of the savings achievement on participant and family

“Able to achieve the goal of what we set out to get.”
“Because now we can save.”
“Gave us saving skills for life.”
“Given me extra ways and ideas of how to save.”
“Has allowed our family to feel like other families who already have a computer. Has given them more skills using a computer and also has helped with essays and homework.”
“Have a stronger awareness of finances.”
“Helped us to save consistently.”
“It’s offered a sense of achievement for all of us as my husband and I involved the children in saving as well.”
“It gave my son the opportunity of a lifetime.”
“It has given me a vehicle to end the poverty anxiety.”
“It has shown my children how positive saving can be.”
“It has taught me that savings are important and need to be kept up.”
“It helped my children understand the costs in raising a family and budgeting each week.”
“It made life more pleasant and less stressful for me.”
“It was great for the girls to see me doing homework to better our chances of saving money to grow into more money.”
“Kids are more understanding when I say we can’t afford something. Also they understand I do plan things for them to enjoy in the budget.”
“Kids now have a computer and we weren’t put under lots of pressure with uniforms/book costs.”
“Made it a lot easier financially and it also gives us a bit more freedom.”
“Made it easier to buy school items and had money for Christmas.”
“My son and daughter have been attending Maths tutoring. They both feel more confident about year 9 and year 10 Maths exams and it has reduced the stress level when understanding new Maths subjects.”
“No stress about school cash.”
“Our son has managed to save his money for bigger and better things. We are managing our money better.”
“Showed us how easy it is to accumulate funds with little effort and how a little bit of savings/week can grow in 12 months. It has given us a sense of achieving a set goal.”
“That it was very helpful and positive attitude of where the money was going.”
“The kids were happy to get music instruments which I wouldn’t have been able to purchase and my daughter’s drama classes were paid for for the year. This is stress free for me and the kids worrying about me spending money on them.”
“The two older boys have constantly used the computer/Internet for their assignments (never seen them do so much homework!)”
“Very positive. Being able to have access to a family computer has been really great and has built the children’s confidence immensely. The adults have gained knowledge on how to save and how to use a computer.”
“We acquired a new computer which my husband keeps saying he thought we’d never get. My son was able to have guitar lessons which we would otherwise not been able to afford. Plus normally we’d buy everything second-hand which doesn’t compare to things new.”
“We all discussed what was happening and I think the kids realised what was actually involved.”
“We are very proud of our achievement and are really enjoying having the computer in our home as we were able to do school fees, EMA cheque has gone towards camp.”

Table 49: Effect of the savings achievement on participant and family cont.

“We don’t have to worry about school fees which usually takes the whole year. My son is able to practice drums at home (and is in a band). It was great. All 5 of us had input into how to spend it and then on the actual things we wanted in the computer.”
“We now have some money to fall back on.”
“You can set goals and achieve them. They have seen this happen.”
“We have been elevated in our opportunities to learn now that my daughter has a decent computer system. Also, it not only benefited the child, but the whole family.”
“I didn’t realise the cost of high school was going to be so high. This has given me the opportunity to give my son what he needed and learning to save in the process.”
“This has enabled me to be in control of educational costs. It’s set up savings which I’ll keep on with and has allowed me to be more wise in general spending. It’s also letting us get a computer system which would have been impossible otherwise.”
“I benefited in so many ways, as well as my kids. Financial benefit – now we can have a good computer. Have knowledge and financial literacy skills. Have a savings history. Kids now have goals and save for themselves as they all earn money.”
“I wouldn’t have been able to afford for my son what I did.”
“The program has taught me to save regularly and has enabled my children to have a brand new, latest technology computer, which otherwise they never would have had.”
“It was encouraging to save extra money for my boys for items they needed for school without having to worry at the start of a new school year about finding the money for things they wanted. Especially when they want Billabong school backpacks etc.”
“I achieved my goal for matched savings and to get the computer etc. for my children. I personally learnt more on how to budget and teach my children how to save. I learnt things that are not so forthcoming when going to financial institutions.”
“It’s made me more aware of saving for my children’s education and educating me in finances. Before this I did not save for their schooling and was financially unprepared for the school year.”
“I have now covered all my school needs for my daughter and I have the knowledge to do it all again for next year.”
“Just being able to save for my son’s education for the 2005 school year.”

9.0 Impact of the program *cont.*

Similarly, it was very evident that the parents noticed the extremely positive effect the purchases made on their child’s life. Table 50 shows that 97.4% of focus group participants indicated a positive effect for their child. In the focus groups, some participants became quite emotional as they recalled their child’s delight at coming home and seeing their new computer. Others talked of how they can’t stop their child from doing their school assignments now they have the “fancy tools” to help them.

Many participants told of how it was the first time that their children had ever had “brand new” uniforms. Some even found it uncomfortable to buy new school uniforms when in the past they had always purchased second hand goods. Even so, they admitted that seeing how happy their children were in having new “cool” gear for the first time, quickly dispelled their own feelings of discomfort.

The participants were grateful for the example set for their children of the difference saving and goal setting can make. Being able to pass on financial and money management skills to the next generation has been a significant benefit of Saver Plus. Table 51 gives a summary of the participants’ comments about the effect of the purchased item on their child’s life.

Whatever the specific benefits that the participants have gained from their saving achievement, the overwhelming feeling from all pilot sites was of gratefulness for being given the means to improve their child’s opportunity in the education system, be it academically, socially, in sport or in music/arts.

Table 50: Rating of the effect of the purchase on the child’s life

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	1(2.6%)	2 (5.3%)	0	35(92.1%)	2.82



Table 51: Comments on the effect of the purchase on the child's life

"Able to do all his work on a powerful computer."
"Able to do all homework with the Internet in our own home."
"Able to do special course without strain on family budget. Can go on camps!"
"Computer helps all areas of homework and Internet avails my children to copious amounts of information."
"Computer skills, homework."
"Excited to see the end result."
"Great! Our old computer was on the way out!"
"Have access at home to the Internet."
"I can use the Super Saver Plan to demonstrate how saving a little each week can help you achieve what you are saving for."
"I was able to buy new uniforms and the kids were so very happy."
"It gave my son the opportunity of a lifetime."
"It made her very thankful and grateful for having the things that she might not have been able to if it wasn't for Saver Plus."
"My daughter has been able to enjoy better quality items for school under this scheme."
"Kids can get their assignments done and [daughter] - who bought herself a digital camera with her earnings – can direct print/save her photos! They are all learning computer literacy skills from one another."
"My daughter was delighted to be able to indulge in a few extras that she would normally have to do without."
"Not having to try to find the money for the school things."
"Now we can have her homework done."
"Opened their horizons to the outside world."
"Our son has managed to save his money for bigger and better things. We are managing our money better."
"Self-esteem – being able to attend school in new/correct school uniform and with correct books."
"She has access to Internet information for school projects and can have contact with her friends and new contacts."
"Their access to the Internet has made them very independent with their assignments (unlike before). Their computer skills are terrific – much better than mine."
"They are really enjoying them. They are able to have stuff the same as what their friends have."
"They do try and save themselves."
"They now have a computer to use for school work".
"They thought about it all year on what they would like to spend their money on. They loved it."
"They were able to buy the things that they like."
"Very positive. Being able to have access to a family computer has been really great and has built the children's confidence immensely. The adults have gained knowledge on how to save and how to use a computer."
"Was excited about new computer and 3 in 1 printer (just like other mates had, and better)."
"Was happy to buy new items and have computer upgrade."
"We don't have to worry about school fees which usually takes the whole year. My son is able to practice drums at home (and is in a band). It was great. All 5 of us had input into how to spend it and then on the actual things we wanted in the computer."
"You can set goals and achieve them. They have seen this happen."

10.0 Program processes: Recruitment, sign-up and disbursement

10.1 Recruitment

The program was launched in July 2003 and had a staggered implementation with Frankston beginning the program first in July, Shepparton in September and Campbelltown in October. The first stage of the implementation of Saver Plus consists of participant recruitment and participant sign-up.

A number of methods were employed to promote the program to potential participants, although the Relationship Managers have noted that word-of-mouth in the market was a most effective promotional tool.

Respondents were asked to identify the sources of information from which they had heard about the Saver Plus program.

Multiple responses were allowed so the totals in Table 52 do not add to 100%. The most common information source in all locations was a school newsletter, with nearly 70% of respondents receiving information this way. Other sources were through word-of-mouth from a friend (although this was less common in Campbelltown than the other locations) and a personal letter from the school (but this was less common in Shepparton). From the focus group discussions though, even though the participants may have heard or read about the program through the school, many only acted on it once they received word-of-mouth confirmation that the program was a legitimate and worthy idea.

Table 52: Sources of information about the program

	Campbelltown	Frankston	Shepparton	Entire Sample
School newsletter	67.7	71.1	67.3	69.6
Personal letter from child’s school	12.9	15.0	1.8	11.3
Through work	8.1	1.8	7.3	4.8
From a friend	8.1	17.7	14.5	14.3
Brochure/postcard	6.5	4.4	7.3	5.7
Newspaper article	8.1	0.9	14.5	6.1

The primary target for the program is low-income families with the capacity to save. The promotional efforts of the program did not specifically target those from non-English speaking backgrounds (NESB) but it did not seek to exclude them either. The program did not have the capacity to offer language interpretive services for its duration and therefore did not specifically promote the program in different languages and then be unable to follow up the education program with interpreters.

The first stage in recruiting participants was to promote the program through contact with the relevant schools in the catchment area of each pilot location. This method was easier when there was an existing relationship between the Saver Plus provider and the school. 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, 168 schools were contacted and all the principals except seven agreed to distribute the material. The principals were generally very positive and enthusiastic about the concept.

“A fantastic program, I can see how it will benefit the families and our community.” (Principal, Campbelltown school)

The overwhelming support for the program, and the power of word-of-mouth promotion is illustrated by the following example.

A participant who heard about the program from a friend who had a child in another school close by demanded to know from her own school why the information was not distributed. Consequently, the school took action and distributed the material.

Initially the promotional material consisted of: letters and brochures; notices in school newsletters; a Frequently Asked Questions brochure; posters and postcards. When these avenues attracted insufficient responses, advertisements were placed in newspapers in Shepparton. Other promotional avenues included local welfare and community organisations and local businesses that were known to employ from the eligible population. As expected, however, broadening the promotional efforts attracted an increased number of enquiries from people who were ineligible to join the program. Interestingly, Shepparton received very few enquiries from ineligible individuals compared with the other two pilot locations.

In conjunction with the distribution of the promotional material, the Relationship Managers conducted information sessions giving potential participants an opportunity to hear a detailed explanation of the program and to ask questions. The sessions usually included presentations from the manager of the local ANZ branch where the participants would be most likely opening their accounts. The participants received a take-home information kit including a copy of the presentation, terms and conditions of the program and Progress Saver Account, and an application form.

All staff involved in the Saver Plus program were surprised at the difficulty in recruiting the target numbers.

A number of factors appear to have attributed to this problem.

- A sense amongst the market that the program is “too good to be true” and a feeling that there would be “a catch”.
- An initial belief from some that they would not be eligible if they were working or self-employed.
- The timing of the recruitment phase for Campbelltown and Shepparton was too close to the end of the school year making it difficult to promote the program.

Other concerns participants had are as follows:

“I nearly didn’t phone because I thought we would be expected to be photographed getting the cheque.”

“I nearly didn’t phone as I assumed that as there were only 100 places they would all be gone by now.”

Quite a few participants who had seen the promotional material enquired only after they had heard about it from someone else who had already been to an information session. This highlights the strength of word-of-mouth in giving the program credibility and assuring potential participants of its benefits. In some instances, participants who had told others about the program were excited when the individuals joined. They felt they had assisted in the recruitment process.

“I know two ladies that have signed up have been talking to the mothers at school saying, “You are crazy if you don’t join.” One actually came in not so long ago and said, “I got another one.” (ANZ branch staff member)

Persistence and the creative thinking of the Relationship Managers were key qualities that helped overcome the difficulty in the recruitment process. When one method was failing to attract enough participants, they were quick to turn to other avenues and persisted tirelessly in following up contacts. The Relationship Managers conducted numerous information sessions, even for small groups, to ensure the needs of all participants were met.

10.2 Participant sign-up

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 potential participants have attended an information session they phone the Relationship Manager for an appointment.

The purpose of the first meeting with the applicant is to:

- Confirm applicant eligibility
- Manage expectations of ineligible applicants
- Explain the Saver Plus terms and conditions
- Discuss the applicant’s capacity to save
- Complete the application form
- Complete the internal assessment form

At the meeting, the Relationship Manager informs successful applicants of their acceptance into the program and each successful candidate is given a letter of confirmation requesting that they open an ANZ Progress Saver Account.

The purpose of the second meeting with the approved applicant is to:

- Determine the participant’s savings goal and deposit schedule using the goal planning sheet
- Have the participant complete the research questionnaire and sign the consent form
- Collect the participant’s account information

Approximately three weeks after the first meeting, the Relationship Manager makes contact with the participant to confirm that the first saving deposit has been made, to answer any questions and to agree to the way forward.

The depth interviews with staff at the interim evaluation stage revealed that the signing up process has been smooth. Although the process was quite time consuming, all Relationship Managers agree that the time is needed and worthwhile to the participant. Due to the innovative nature of the program and the degree of personal commitment required for success it is important that the participant is given adequate information and time to consider it.

The ANZ branch staff have reported very positively on their involvement with the participants in the account opening procedure. Some staff have specifically requested involvement and see this as an ideal opportunity to engage with the community while undertaking their day-to-day job.

10.0 Program processes: Recruitment, sign-up and disbursement *cont.*

“The program enables our [ANZ] people to be involved in something that they do with the community, through what they do at work. It’s one thing to say, go off and take your volunteer leave, but it’s another to say through the work that you do day in and day out you can actually contribute to your community.” (ANZ Saver Plus management team member)

The information gathered from the participant focus groups confirmed that 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 some of the questions somewhat personal but the skills and obvious empathy of the Relationship Managers ensured the participants felt comfortable.

“The [Relationship Manager] approaches everyone on their own level and she knows just how to deal with it person to person individually.” (participant)

“When I rang the Relationship Manager and said, “I don’t understand,” she said, “Bring it in and we’ll do it together.” (participant)

Due to a degree of confusion that surrounded the disbursement of funds (see Section 10.3) there will be greater emphasis in the second savings period on ensuring that participants are very clear on the type of products that can or cannot be purchased with the matched funds.

10.3 Disbursement of funds

A total of \$481,135 of matched funds were disbursed across the sites with \$222,007 matched in Frankston; \$135,288 in Shepparton and \$123,840 matched in Campbelltown. The amount on the cheques ranged from \$5.21 to the maximum allowable \$2000 of matched funds.

The matched funds were allowed to be disbursed to the participants when they had met their pre-arranged savings goal or the maximum allowed of \$1000 of savings. While some funds were disbursed as early as August most of the funds were matched and disbursed in December 2004. While each site created their own procedure for issuing the matched funds to the participant, in general the process was as follows:

1. Participants would make an appointment to see the Relationship Manager.
2. The Relationship Manager assessed from the participant’s savings records the amount of savings eligible to be matched.
3. The participant sourced quotes for desired products from suppliers and provided them to the Relationship Manager.
4. The Relationship Manager issued the cheques made out to the supplier of the products and the participant purchased the product.

While the above process worked well for major items such as computers, it was a little more difficult for general school expenses such as stationery items, and smaller educational expenses. Participants often asked suppliers to put goods on hold while they obtained the cheques from the Relationship Managers. Reimbursements were allowed in some cases but were not generally encouraged. In many cases, participants would have liked to issue the cheque to the school to hold as a ‘kitty’ for expenses incurred during the year such as excursions, materials, photocopying etc. However, this was not allowed unless there were specific invoices or quotes issued. Many of the schools were unable to provide exact quotes in advance.

10.3.1 Participants’ perspective of the disbursement process

Despite the complexity of the process, the participants were generally very happy with the disbursement process. All participants rated the process for matching the funds positively with 94.7% indicating they were very positive about the disbursement process (see Table 53). Participants were given the opportunity to provide comment about the process and Table 54 provides a sample of these comments. Overall the participants saw the process as being efficient, easy and well organised. Some participants experienced a degree of difficulty in cashing the Saver Plus cheques at stores. In some cases, it was time consuming while the store management had to check with the community organisation regarding the legitimacy of the program. While arrangements had been made with the more commonly used suppliers of computers and computer equipment such as Harvey Norman, it was difficult to pre-warn all stores in the pilot site vicinity of the forthcoming purchases.

Many participants found the requirement of obtaining quotes from suppliers more difficult as some stores were reluctant to issue written quotes, especially for minor purchases. This process also reduced the opportunity to take advantage of limited offers and sale items. It often incurred a considerable degree of ‘running around’ while participants put items on hold, visited the community organisation to obtain the cheque and went back to the store to purchase the item.

Although the Relationship Managers found this period to be very busy and taxing, (see Section 10.3.2) their professional attitude and dedication to the participants ensured that each participant felt they were receiving the full support and commitment from the Relationship Managers at all times.

Table 53: Rating of the process for claiming the matched funds

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	2(5.3%)	36(94.7%)	2.95

10.0 Program processes: Recruitment, sign-up and disbursement *cont.*

Table 54: Comments on the process for claiming the matched funds

Efficiency and flexibility displayed by Relationship Managers
"[Relationship Manager] was always pleasant and very helpful. There was no problem with claiming the matching funds."
"[Relationship Manager] was fantastic and cheques were processed quickly."
"[Relationship Manager] was very approachable. Just dropped accounts off then picked up cheques."
"It was easy and [Relationship Manager] was helpful."
"Although there were a few hiccups because it is a new program, it was all handled very well."
"Claims were quickly dealt with, with flexibility and clarity."
"I spoke to [Relationship Manager], presented the invoice and received cheques and this happened on separate occasions."
"It was very easy and any queries were answered with no fuss."
"Matched funds were processed very quickly."
"[Relationship Manager] did all the paperwork – cheque was sent over for the computer. I was too lazy!"
"[Relationship Manager] made it hassle free and easy."
"[Relationship Manager] was very easy to deal with."
"Very fast and efficient."
"Very well organised and without much delay."
Process was easy to understand and follow
"It was made very easy. We had no hassles at all."
"All I had to do was contact [Relationship Manager], bring in the quotes and take the cheque to the shops or school."
"Easy as the one store had the lot we needed."
"Easy to organise. Just handed receipts and received money."
"Everything was completely organised. I only had to choose the day I wanted my computer to be delivered. I picked up the cheque from Berry Street."
"Fast response - easy access."
"Had completed saving before time and during the waiting time for money to be allowed to be released to me, chose products that I required."
"It was quite easy. I just got quotes from the stores I wanted the school supplies from a catalogue advertising the items I needed and brought them to see [Relationship Manager] who assessed them then processed the cheques."
"It was very easy and efficient."
"No problems for me whatsoever!"
"Simple and straight forward."
"There were no problems with receiving any of the money."
"Very easy to access."
"Was easy to arrange."
Others
"A little bit awkward - but understandable that there has to be checks and balances done."
"The incentive to receive \$2000 for the effort of saving \$1000 made it a very positive process."

10.3.2 Relationship Managers' perspective of the disbursement process

To the credit of the Relationship Managers, the process appeared smooth and easy to most of the participants. However, the process was very time consuming, labour intensive and quite taxing on the Relationship Managers. A number of factors contributed to this, some of which would not occur under non-pilot conditions, that is, when it is operated under a continual and natural timeframe and participants are not all starting and finishing at the same time.

Factors that contributed to the pressure included:

- The final saving month was December 2004 and matched funds had to be spent by the end of February 2005.
- While some participants met their goal before December and could receive matched funds earlier, the majority were all seeking their matched funds at the same time. The Relationship Managers found it difficult to accommodate the influx. One Relationship Manager found on a particular day there were over 100 phone messages waiting for her to deal with.
- Each participant's savings record had to be assessed by the Relationship Manager to determine the amount of matched funds to be issued.

- While most participants had chosen products that were clearly in line with the eligibility requirements of the program such as computers and school uniforms, others had varying views on what an 'educational product' was. Discussions with participants about allowable products were often time consuming and sometimes difficult.
- There was a limited amount of reimbursement that was allowed so individual cheques had to be issued in some cases to a number of suppliers at different times.
- Recruitment for the second savings period of the Saver Plus pilot began at the same time as the disbursement phase of the first savings period.

Table 55 shows a breakdown of the number of cheques issued by the Relationship Managers across the pilot sites. The numbers also show the enormous difference in workload between the sites.

Table 55: Number of cheques issued across pilot sites

Month	Frankston	Shepparton	Campbelltown
November 2004	10	11	9
December 2004	245	82	83
January 2005	304	65	101
February 2005	97	40	100
March 2005	38	0	17
Total	694	198	310

10.0 Program processes: Recruitment, sign-up and disbursement *cont.*

10.4 Spending the money

A small number of focus group participants reported difficulties in attempting to spend the money in the timeframe allowed. The reasons given for this are summarised in Table 56. Campbelltown participants may have experienced more difficulty in finding educational products to spend the money on than participants in other states due to varying school costs across the states. In New South Wales the basic school costs such as books and fees are mostly covered by the state school system. However the transition points from primary to secondary and junior school to senior school can still be burdensome with new uniforms to buy and school camp costs. The focus group discussions did not reveal any differences across the groups in their ability to find legitimate education expenses to spend the matched funds on. Indeed, in one instance when the participants were asked if they found it hard to spend the money, the response was an incredulous, “Are you kidding?” Even if the basic requirements are taken care of by the state, the parents were very grateful to provide extra tuition, musical instruments, sporting training and other ‘luxuries’ for their children that they had never been able to provide before.

The requirement to have the matched funds spent within a limited timeframe put some pressure on some of the participants. There was a sense of having to rush to spend the money they had spent so much time saving. To some it seemed like an incongruent action to the saving mindset developed over the year.

“It seems frustrating to think you’ve got to quickly spend the money, you know, when you have spent all this time saving it.”

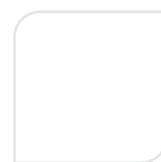
“I still think that we shouldn’t have had to splurge if we didn’t want to and we could have gone, look, we’ve got \$500 left over and use it as a kitty.”

The participants recommended the production of an explanation ‘flyer’ or card with ANZ’s and relevant community organisations’ logos printed on it to avoid having to repeatedly try to explain to the supplier the nature of the program when using a Saver Plus cheque.

Even with experiencing minor problems in the process, all participants agreed that the benefits received from the program far outweighed any difficulties.

Table 56: Reasons for difficulties in spending the matched funds

“A couple of the places didn’t accept cheques and the school didn’t know much about it.”
“Bought more expensive items i.e. shoes to be able to use up the money.”
“In the end it was a lot of money.”
“Some businesses were not willing to deal with it, but eventually with help from [the Relationship Manager], it all worked out fine.”



11.0 Summary of Key findings

- In total, 92.4% of participants achieved their savings goal (including 34.6% of participants exceeding their goal).
- A total of 72.6% of participants were consistent savers during the program compared to 39% saying they saved something every week before Saver Plus and 24% of participants not saving anything prior to the program.
- Average savings goal was \$951 with 79.8% of participants aiming for the maximum matchable amount of \$1000.
- In total, 51.1% of participants made cash deposits in person at the bank, with 15.6 % using automatic pay deduction or 26.2% transferring the deposits from another account.
- A total of 57.8% of participants found it fairly easy to meet their savings goal and 8% found it fairly difficult.
- The average monthly balance across the sites was \$104.10.
- The average final balance was \$1198.01.
- The groups across the sites were fairly homogeneous with the results suggesting there are no significant differences in their savings efforts during the program.
- The majority of participants saved for and purchased computers for their child.
- There were only five participants who withdrew from the program.
- A total of 98.8% of participants are planning to keep saving in the future.
- In total, 99.6% of participants reported a positive experience of the Saver Plus program.
- The top three benefits from the program reported by the participants: developing a savings habit; getting the matched funds; and getting the product saved for.
- Impacts of the program include:
 - Learning about money and developing a savings habit
 - Relief of pressure and stress
 - Sense of achievement in reaching a goal
 - Positive impact on the family and children in particular
 - a) the positive difference the product has made to the child's education experience and
 - b) the increase in their child/children's interest in saving

12.0 Key success factors of Saver Plus

An overarching set of key success factors have emerged from data collected from the participants; from interviews with senior management of the partnering organisations; and with the Saver Plus management team (see reference list for specific details).

The success factors are as follows:

- Without doubt, the conceptual and working partnership between ANZ and the community organisations is the most important factor in the success of the program⁴. Each of the senior management personnel interviewed from ANZ and the community organisations said that the implementation of a program such as Saver Plus would be difficult if not impossible if undertaking it alone.
- The *combination* of the elements that comprise the program have clearly emerged as a key success factor. The matched funds, in providing a hook to attract potential participants to the program; the education program, to provide the participants with the tools to succeed in achieving their savings goals; and the coaching and support provided by the relationship managers. It is a case of the ‘whole being greater than the sum of its parts’ in that it is the elements working together that has encouraged success for the participants which in turn makes the program successful.
- The overall goal of Saver Plus, in attempting to improve the financial capabilities of low-income families will assist in addressing many other social issues facing the community. “Saver Plus encourages the return to addressing root causes instead of applying band-aid remedies.” (Richard Spencer, Benevolent Society)
- The program fits well with the mission and goals of each of the organisations.
- The extensive research undertaken by ANZ and BSL in preparation for the implementation of the program and the research conducted during the program are also seen as important contributing success factors. The meticulous documentation of the processes as they evolved throughout the program provided direction and a record of what worked well and procedures that could be refined.
- Although the program set clear boundaries around issues such as participant eligibility criteria, there was relative freedom of scope in implementation at each pilot site. Each community organisation put their own ‘stamp’ on the program and this did not impact the participants’ savings outcomes. The results showed that there were no significant differences in levels of saving success across the pilot sites.

⁴ This aspect of the program is being researched by Deakin University and will be presented in a separate report.

13.0 Considerations for the future

One of the objectives of the evaluation was to put forward considerations from partners for future non-pilot matched savings programs.

Based on the findings from the first savings period of the Saver Plus pilot, the following considerations were drawn:

Eligibility criteria

The pilot demonstrated that there is room for broadening the eligibility criteria in the following ways:

- Include those who do not have paid employment as long as they demonstrate a strong commitment and capacity to save and attend the education program.
- Include those who are still in a low-income bracket but have children at certain non-government schools eg. Religion based schools.

Savings goal

- Participants in the pilot have been directed to save for educational expenses for a child in secondary school. While there are many cogent reasons why this restriction on the savings goal should be lifted, there are also powerful arguments for having it remain.

The evaluation provided a significant amount of evidence that indicated high levels of involvement of the children in the program. It is doubtful that this level of engagement would have been possible if the goal were unrelated to the child. Many participants as indicated in Section 9.6 were thrilled at having their children learn about the benefits of saving and were grateful for the opportunity to pass on the knowledge and skills they were learning in the program. The children's interest in saving was clearly heightened because the savings goals were for them.

There were also convincing results that indicated the purchased educational item has made a positive difference to the child's education experience. The purchase of a computer for example, increased the child's enthusiasm in doing homework and assignments, which clearly delighted the parents.

The evaluation showed that all participants were happy to save for educational expenses as most realised this was a significant financial pressure point, especially at the beginning of a new school year. While it is acknowledged that the basic school costs differ across the states, with NSW having more expenses taken care of by the state government than does Victoria, there was no indication from the focus groups in Campbelltown that this goal was unsuitable. Expenses such as tutoring, school camps, study desks and chairs, musical instruments and tuition, computers and accessories were all valid goals and in demand by the participants. What's more, it was very evident that the participants in the program want more than anything for their children to have any advantage possible. When asked what the participants would save for if there were no restriction, they all said it would still be for education as this was their biggest priority at this point in their lives.

- In terms of arguments for the replication and wider implementation of the program, the education savings goal is an influential factor. The inclusion of The Smith Family in the second savings period is an example of this. Mr Roley Cook, General Manager (QLD) of The Smith Family said the focus on children's education was the primary reason why his organisation was interested in the program and wanted to be involved.

"The Smith Family has a strong belief in preventative measures and financial literacy is an important life skill for children and youth. Saver Plus fitted with the mission and strategies of our organisation and our current Learning for Life program."

- Discussions with Campbelltown management staff though, suggest that this restriction on the savings goal could be a reason for low levels of recruitment. Obviously the data gathered is from current participants and does not include opinions from those who would have joined if the criteria were different. This issue should be further investigated.
- A reasonable possibility for widening the restriction on the education related goal is to include items for children at primary school. Many parents found it difficult to meet primary school expenses especially when there are a number of children to fit out with uniforms, shoes and school bags at the beginning of the year.

Education program

- The education program is a crucial element to the savings program. Apart from continual updating and ongoing enhancement, the education element should remain. It has provided significant long lasting benefits to the participants that are in many cases being passed on to their children and may serve to alleviate intergenerational financial problems.
- The subsequent development of MoneyMinded offers a useful means of streamlining the education program in the future.

Relationship management

- The Relationship Managers play an equally important role in the success of the program. Many participants attribute their success in achieving their goals to the support of the Relationship Manager. While it can be argued that self-motivation is preferable to relying on an external factor for success, it is a reasonable expectation that the development of any positive habit is more achievable with coaching and support. Athletes and other sports people need coaches for success, the weight loss industry incorporates support as a core element, so why shouldn't those who are endeavouring to make significant life changes also have support?
- While it is recommended that relationship management be kept as an integral part of the program, more research needs to be conducted to better refine the Relationship Managers' workloads and feasible levels of support offered.

14.0 References

- ANZ Banking Group** (2003), *ANZ Survey of Adult Financial Literacy in Australia*, Roy Morgan Research.
- Australian Bureau of Statistics** (2004), *2000-2001 Household Income and Income Distribution*, ABS: Canberra.
- Beal, D.** (2000a), *Saving in Australia: How do Savers Decide on the Amount*, *Economic Papers* 19(1), 33 - 43.
- Beal, D.** (2000b), *Internal Motives for Saving in Australia*, *Economic Papers* 19(4), 1 - 13.
- Beal, D. and Delpachitra, S.** (2005), *Banking in the Bush (1993 – 2003): A Decade of Change*, *Economic Papers* 24, 61 – 74.
- Beverley, S. G. and Sherraden, M.** (2001), *How People Save and the Role of IDAs* in R. Boshara (Ed). *Building Assets: A Report on the Asset-Development and IDA Field*, Corporation for Enterprise Development.
- Boshara, R.** (2001), *The Rationale for Assets, Asset-Building Policies, and IDAs for the Poor* in R. Boshara (Ed). *Building Assets: A Report on the Asset-Development and IDA Field*, Corporation for Enterprise Development.
- Brotherhood of St Laurence** (2003), *Banking on the Margins: Promoting a More Financially Inclusive Community*, Conference Proceedings, October.
- Burchardt, T., Le Grand, J. and Piachaud, D.** (1999), *Social Exclusion in Britain 1991-1995*, *Social Policy and Administration*, 33(3), 227 - 244.
- Chant Link and Associates** (2004), *A Report on Financial Exclusion in Australia*, ANZ.
- Chifley Research Centre** (2003), *Asset Based Policies Matched Savings Accounts: Exploring Options*, The Allen Consulting Group.
- Connelly, C. and Hajaj, K.** (2001), *Financial Services and Social Exclusion*, Chifley Research Centre.
- Fox, J., Bartholomae, S. and Lee, J.** (2005), *Building the Case for Financial Education*, *The Journal of Consumer Affairs*, 39(1), 195 - 214.
- Hajaj, K.** (2002), *Illiteracy, Financial Services and Social Exclusion*, Financial Service Consumer Policy Centre.
- Harding, A., Lloyd, R. and Greenwell, H.** (2001), *Financial Disadvantage in Australia 1990 to 2000*, The Smith Family, NATSEM.
- Harris, M., Loundes, J. and Webster, E.** (2002), *Determinants of Household Saving in Australia*, *Economic Record* 78, 207 - 223.
- Kempson, E., Atkinson, A. and Pilley, O.** (2004), *Policy Level Response to Financial Exclusion in Developed Countries: Lessons for Developing Countries*, Report commissioned by Financial Sector Team, Policy Division, Department for International Development, The Personal Finance Research Centre, University of Bristol.
- Kempson, E., McKay, S. and Collard, S.** (2005), *Incentives to Save: Encouraging Saving Among Low-Income Households*, Final Report on the Saving Gateway Pilot Project, Personal Finance Research Centre, University of Bristol.
- MIAESR** (2003), *Melbourne Institute Economic and Social Indicators – December 2003*, [www page] accessed 25th May at <http://wff2.ecom.unimelb.edu.au/iaesrwww/miesi/poverty.html>.
- National Centre of Social and Economic Modelling** (2003), *Household Savings Ratio – Statistical Research Report by Ibisworld*, [www page] accessed 3 May 2004 at <http://ibisworld.com.au>
- Page-Adams, D. and Sherraden, M.** (1996), *What We Know about Effects of Asset Holding: Implications for Research on Asset-Based Anti Poverty Initiatives*, Working paper no. 96 - 1, St.Louis: Center for Social Development, Washington University.
- Ralston, D. and Beal, D.** (2000), *Rural Communities: Adjusting to a Future without Bank Branches*, *Economic Papers* 19(4), 79 – 94.
- Scanlon, E. and Page-Adams, D.** (2001), *Effects of Asset Holding on Neighbourhoods, Families, and Children: A Review of Research*, in R. Boshara (Ed). *Building Assets: A Report on the Asset-Development and IDA Field*, pp. 3.025 – 3.050.
- Schreiner, M., Clancy, M. and Sherraden, M.** (2002), *Saving Performance in the American Dream Demonstration: A National Demonstration of Individual Development Accounts*, Final Report, Centre for Social Development, Washington University in St. Louis.
- Sherraden, M.** (1991), *Assets and the Poor. A New American Welfare Policy*, Armonk, NY: M.E. Sharpe, Inc.

Interviewees

The Brotherhood of St Laurence

Michelle Wakeford
Saver Plus Project Manager

Cath Scarth
General Manager for Community Services

Sonia McMann
*Relationship Manager
(Frankston site)*

ANZ

Gerard Brown
*Group General Manager,
Corporate Affairs & Investor Relations*

Trish Toohey
Head of Group Community Relations

Hilary Fastier
Manager Community Relations

Benevolent Society

Richard Spencer
Chief Executive Officer

Keith Bryant
Chief Operating Officer

Sue Martin
*Relationship Manager
(Campbelltown site)*

Berry Street Victoria

Anita Pell
*Regional Director Hume &
Organisational Mentor HBC*

Tracy Pell
*Relationship Manager
(Shepparton site)*

The Smith Family

Roley Cook
General Manager, Qld

Appendix A: Breakdown of pilot site populations: Income and family structure

FRANKSTON

3199	Couple with Children (N)	One Parent Family (N)	Other Family (N)
Negative/Nil Income	7	11	3
\$1-\$199	14	75	0
\$200-\$299	15	196	8
\$300-\$399	122	374	16
\$400-\$499	153	357	35
\$500-\$599	181	253	13
\$600-\$699	267	209	21
\$700-\$799	244	138	18
	1033	1613	114
Total	2730		
% of total population	5.51		
% of population age 30 - 50	20.59		

FRANKSTON

3197	Couple with Children (N)	One Parent Family (N)	Other Family (N)
Negative/Nil Income	3	3	3
\$1-\$199	3	6	0
\$200-\$299	5	25	3
\$300-\$399	22	58	3
\$400-\$499	28	78	3
\$500-\$599	30	44	0
\$600-\$699	55	42	6
\$700-\$799	71	30	5
	217	286	23
Total	526		
% of total population	4.35		
% of population age 30 - 50	13.90		

FRANKSTON

3930	Couple with Children (N)	One Parent Family (N)	Other Family (N)
Negative/Nil Income	4	3	0
\$1-\$199	4	9	3
\$200-\$299	3	22	0
\$300-\$399	12	32	3
\$400-\$499	20	35	3
\$500-\$599	23	52	3
\$600-\$699	44	26	4
\$700-\$799	54	30	4
	164	209	20
Total	393		
% of total population	2.42		
% of population age 30 - 50	8.86		

FRANKSTON

3939	Couple with Children (N)	One Parent Family (N)	Other Family (N)
Negative/Nil Income	0	4	3
\$1-\$199	5	15	0
\$200-\$299	8	45	0
\$300-\$399	26	102	3
\$400-\$499	49	115	8
\$500-\$599	61	58	5
\$600-\$699	77	29	3
\$700-\$799	79	22	3
	305	390	25
Total		720	
% of total population		5.95	
% of population age 30 - 50		20.10	

FRANKSTON

3931	Couple with Children (N)	One Parent Family (N)	Other Family (N)
Negative/Nil Income	3	3	0
\$1-\$199	6	22	3
\$200-\$299	7	68	0
\$300-\$399	31	138	5
\$400-\$499	45	151	8
\$500-\$599	76	74	6
\$600-\$699	102	71	4
\$700-\$799	105	63	3
	375	590	29
Total		994	
% of total population		5.52	
% of population age 30 - 50		20.86	

FRANKSTON

3915	Couple with Children (N)	One Parent Family (N)	Other Family (N)
Negative/Nil Income	3	0	0
\$1-\$199	3	24	0
\$200-\$299	3	36	0
\$300-\$399	28	92	5
\$400-\$499	40	88	4
\$500-\$599	38	43	0
\$600-\$699	52	37	0
\$700-\$799	64	17	0
	231	337	9
Total		577	
% of total population		8.08	
% of population age 30 - 50		28.55	

Appendix A: Breakdown of pilot site populations Income and family structure *cont.*

CAMPBELLTOWN

2170	Couple with Children (N)	One Parent Family (N)	Other Family (N)
Negative/Nil Income	38	26	3
\$1-\$199	53	187	9
\$200-\$299	72	270	4
\$300-\$399	450	531	41
\$400-\$499	455	486	32
\$500-\$599	487	255	16
\$600-\$699	617	260	27
\$700-\$799	530	203	24
	2702	2218	156
Total	5076		
% of total population	6.21		
% of population age 30 - 50	20.75		

CAMPBELLTOWN

2500	Couple with Children (N)	One Parent Family (N)	Other Family (N)
Negative/Nil Income	9	9	8
\$1-\$199	13	42	8
\$200-\$299	13	91	7
\$300-\$399	96	202	20
\$400-\$499	96	174	36
\$500-\$599	116	84	18
\$600-\$699	152	91	20
\$700-\$799	111	78	22
	606	771	139
Total	1516		
% of total population	4.45		
% of population age 30 - 50	17.21		

CAMPBELLTOWN

2518	Couple with Children (N)	One Parent Family (N)	Other Family (N)
Negative/Nil Income	5	0	0
\$1-\$199	0	46	0
\$200-\$299	9	88	3
\$300-\$399	61	180	14
\$400-\$499	77	151	14
\$500-\$599	72	62	4
\$600-\$699	100	70	7
\$700-\$799	113	44	6
	437	641	48
Total	1126		
% of total population	6.29		
% of population age 30 - 50	22.62		

CAMPBELLTOWN

2560	Couple with Children (N)	One Parent Family (N)	Other Family (N)
Negative/Nil Income	19	19	0
\$1-\$199	42	187	5
\$200-\$299	29	354	6
\$300-\$399	212	664	17
\$400-\$499	234	469	24
\$500-\$599	327	312	11
\$600-\$699	401	242	22
\$700-\$799	438	205	14
	1702	2452	99
Total		4253	
% of total population		6.11	
% of population age 30 - 50		21.05	

CAMPBELLTOWN

2565	Couple with Children (N)	One Parent Family (N)	Other Family (N)
Negative/Nil Income	9	7	0
\$1-\$199	7	21	0
\$200-\$299	9	57	4
\$300-\$399	47	98	5
\$400-\$499	48	87	4
\$500-\$599	64	50	4
\$600-\$699	99	48	6
\$700-\$799	64	60	5
	347	428	28
Total		803	
% of total population		5.19	
% of population age 30 - 50		18.87	

CAMPBELLTOWN

2567	Couple with Children (N)	One Parent Family (N)	Other Family (N)
Negative/Nil Income	5	6	0
\$1-\$199	8	21	0
\$200-\$299	5	50	3
\$300-\$399	30	100	4
\$400-\$499	44	120	3
\$500-\$599	62	90	5
\$600-\$699	108	75	5
\$700-\$799	135	50	4
	397	512	24
Total		933	
% of total population		3.88	
% of population age 30 - 50		11.52	

Appendix A: Breakdown of pilot site populations Income and family structure *cont.*

CAMPBELLTOWN

2570	Couple with Children (N)	One Parent Family (N)	Other Family (N)
Negative/Nil Income	4	6	0
\$1-\$199	5	18	3
\$200-\$299	6	25	0
\$300-\$399	26	88	0
\$400-\$499	70	92	5
\$500-\$599	66	55	3
\$600-\$699	100	48	3
\$700-\$799	102	42	3
	379	374	17
Total	770		
% of total population	3.56		
% of population age 30 - 50	12.29		

SHEPPARTON

3636	Couple with Children (N)	One Parent Family (N)	Other Family (N)
Negative/Nil Income	0	3	0
\$1-\$199	3	4	0
\$200-\$299	0	9	0
\$300-\$399	14	28	3
\$400-\$499	27	39	0
\$500-\$599	33	15	0
\$600-\$699	39	13	3
\$700-\$799	44	7	3
	160	118	9
Total	287		
% of total population	5.62		
% of population age 30 - 50	21.34		

SHEPPARTON

3629	Couple with Children (N)	One Parent Family (N)	Other Family (N)
Negative/Nil Income	3	3	0
\$1-\$199	6	10	0
\$200-\$299	6	41	0
\$300-\$399	24	85	4
\$400-\$499	33	83	3
\$500-\$599	49	48	3
\$600-\$699	68	37	3
\$700-\$799	68	20	0
	257	327	13
Total	597		
% of total population	7.19		
% of population age 30 - 50	24.63		

SHEPPARTON

3630	Couple with Children (N)	One Parent Family (N)	Other Family (N)
Negative/Nil Income	9	9	0
\$1-\$199	7	55	4
\$200-\$299	16	124	0
\$300-\$399	145	260	6
\$400-\$499	129	204	14
\$500-\$599	142	127	11
\$600-\$699	201	121	12
\$700-\$799	193	69	11
	842	969	58
Total		1869	
% of total population		7.02	
% of population age 30 - 50		24.85	

SHEPPARTON

3644	Couple with Children (N)	One Parent Family (N)	Other Family (N)
Negative/Nil Income	3	0	0
\$1-\$199	4	9	0
\$200-\$299	3	32	0
\$300-\$399	38	63	3
\$400-\$499	34	49	3
\$500-\$599	36	19	0
\$600-\$699	74	14	0
\$700-\$799	64	18	3
	256	204	9
Total		469	
% of total population		6.00	
% of population age 30 - 50		22.69	

SHEPPARTON

3620	Couple with Children (N)	One Parent Family (N)	Other Family (N)
Negative/Nil Income	3	0	3
\$1-\$199	3	5	0
\$200-\$299	4	24	3
\$300-\$399	23	52	0
\$400-\$499	38	40	4
\$500-\$599	50	19	0
\$600-\$699	59	17	0
\$700-\$799	67	22	0
	247	179	10
Total		436	
% of total population		5.74	
% of population age 30 - 50		21.26	

Appendix B: Explanation of statistical techniques

Crosstabulations evaluated using the Chi-square (χ^2) statistic

Crosstabulations allow investigation of any interrelationships between two categorical level variables by comparing expected distribution (if no relationship existed) with observed distributions. If the total of the differences (evaluated using the Chi-square statistic) is sufficiently large the variables are assumed to be influencing each other and therefore interrelated. Each individual cell is then evaluated using standardised residuals to investigate whether the observed count is significantly higher or lower than the expected count. Such observations are marked with an upward or downward arrow. This analysis loses its power where large proportions of the cells have small expected values (less than 5).

Oneway ANOVA (ANalysis Of VAriance)

Oneway ANOVA, which is evaluated using the F distribution, is used to test for significant differences between statistics, typically mean scores, in two or more groups. F is calculated by the ratio of between group variance to within group variance. Between group variance comprises the effect plus error, while within group variance contains only the error component; therefore the higher the F ratio, the larger the effect size. A non-significant F ratio indicates that any differences observed in the means are most likely to relate simply to sample error and natural population variation rather than being related to the independent variable. A significant result indicates that there is enough evidence to be reasonably confident that the independent variable is affecting the mean.

Appendix C: Explanation of equivalised household income

Equivalence scales are used to adjust the actual incomes of households in a way that enables the analysis of the relative wellbeing of people living in households of different size and composition. For example, it would be expected that a household comprising two people would normally need more income than a lone person household if all the people in the two households are to enjoy the same material standard of living. Adopting a per capita analysis would address one aspect of household size difference, but would address neither compositional difference (i.e. the number of adults compared with the number of children) nor the economies derived from living together.

When household income is adjusted according to an equivalence scale, the equivalised income can be viewed as an indicator of the economic resources available to a standardised household. For a lone person household, it is equal to income received. For a household comprising more than one person, equivalised income is an indicator of the household income that would be required by a lone person household in order to enjoy the same level of economic wellbeing as the household in question.

The equivalence scale used in this publication was developed for the Organisation for Economic Co-operation and Development and is referred to as the 'modified OECD' equivalence scale. It is widely accepted among Australian analysts of income distribution.

This scale allocates 1.0 point for the first adult (aged 15 years or older) in a household; 0.5 for each additional adult; and 0.3 for each child. Equivalised household income is derived by dividing total household income by the sum of the equivalence points allocated to household members. For example, if a household received combined gross income of \$2,100 per week and comprised two adults and two children (combined household equivalence points of 2.1), the equivalised gross household income for each household member would be calculated as \$1,000 per week.

For more information on the use of equivalence scales, see Household Income and Income Distribution, Australia, 2000–01 (cat. no. 6523.0).

This USD amount should be converted to AUD using the relevant exchange rate.

Historical exchange rate data is available at: <http://www.rba.gov.au/Statistics/HistoricalExchangeRates/index.html>. Over the period of the ADD demonstration (1997 – 2001) the AUDUSD exchange rate varied from 1.2519AUD to 1USD to 2.0691AUD to 1USD.

This GBP amount should be converted to AUD using the relevant exchange rate.

Historical exchange rate data is available at: <http://www.rba.gov.au/Statistics/HistoricalExchangeRates/index.html>. Over the period of the Saving Gateway (August 02 to July 03) the AUDGBP exchange rate varied from 2.4284AUD to 1GBP to 2.9586AUD to 1GBP.

Given the number of participants in the focus groups (38) as compared to the overall sample size (268), the focus group may not be representative of the total number of participants.

Notes

