

EVALUATION OF SAVER PLUS PHASE 5: 2011 TO 2014

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FOREWORDS



In 2003 with the Brotherhood of St Laurence we developed and piloted a new program that encouraged people on lower incomes to save.

Today that program, Saver Plus, operates across Australia. More than 500 of our branches refer people to the program. More than 23,000 people have participated, becoming long term savers. Saver Plus has helped lower income Australians get their kids to school in uniform and with the IT equipment they need, buy household goods, and set up and manage the household budget. For some, home ownership has become a reality.

Partnership is the key to the success of Saver Plus. I thank our community partners: the Brotherhood of St Laurence, Berry Street, the Benevolent Society and the Smith Family for their work in delivering the program and working with us through the refinements and changes that occur over a decade.

I also thank and acknowledge the Australian Government for the funding provided to the Brotherhood of St Laurence and other partners that has enabled Saver Plus to be delivered across Australia. Without this funding, far fewer individuals and families would have benefitted.

For our part, ANZ remains committed to working with our partners in the communities we serve to build the money management capabilities of Australians.



Phil Chronican
CEO Australia,
ANZ



The Brotherhood of St Laurence has long recognised that if disadvantaged Australians are to build a good life for themselves in the modern economy, like all of us, they need to have financial literacy and access to affordable financial services. The Saver Plus program has been a key plank of this approach, and guided more than 23,000 people on low incomes to develop a habit for saving since being launched in 2003.

These are financial habits that transform the lives of individuals and families and the program's core success shows that, with appropriate support, those on low incomes can save, build assets and repay debt.

Together, ANZ and the Brotherhood have built a partnership that profits the community. With the support of the Australian Government and other community agencies, Saver Plus has now grown to 60 locations making it Australia's largest and longest running matched savings and financial education program. The benefits of this milestone for the participants, both in terms of financial management and cultivating well-being and confidence, resonate in the pages of this informative report.



Tony Nicholson
Executive Director,
Brotherhood of St Laurence

ACKNOWLEDGMENT AND THANKS

The overall impact of Saver Plus since it began in 2004 is outlined in the report *Saver Plus: A Decade of Impact*.

This companion report presents a more detailed evaluation from the current phase of Saver Plus (2011-2015). ANZ and BSL would like to acknowledge the many people involved in Saver Plus in this phase – from participants in all parts of Australia, to the many people working in local community organisations to deliver the program, to supporters and partners in the business, community and government sectors.

ANZ and BSL would like to particularly acknowledge our partners (the Australian Government, Berry Street, The Benevolent Society and The Smith Family) and other delivery organisations (AnglicareSA, Anglicare WA, Anglicare NT, Ballarat Group Training, Bethany, Haven and Jewish Care Victoria) who have worked over the term of Phase 5 to ensure Saver Plus continues to be an effective and impactful program for participants all over Australia.

SAVER PLUS PARTNER ORGANISATIONS:



Brotherhood
of St Laurence

Working for an Australia free of poverty



Australian Government
Department of Social Services



The Smith
Family
everyone's family

benevolent SOCIETY



Since 1877
Berry Street
We never give up

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Saver Plus has been delivered in Australia since 2004 and has enrolled over 23,000 people across 60 locations.

This report presents the results of the evaluation of Saver Plus Phase 5. This report also serves as a companion document to *Saver Plus: A Decade of Impact* which presents a summary of the high-level outcomes and impacts of Saver Plus over the last 10 years. The Phase 5 evaluation represents the latest in a series of evaluation reports since Phase 1 in 2004.

Saver Plus enables people living on low incomes to build their financial capabilities while saving for a purpose related to their own education or their child's. The program includes MoneyMinded financial education, matched savings up to \$500, and support from a partner community organisation.

Saver Plus has been delivered in Australia since 2004 and has enrolled over 23,000 people across 60 locations. The program has been supported by the Australian Government since 2009. Phase 5 is a funded period of Saver Plus spanning from July 2011 to June 2015.

The report provides participant outcomes – 12 months after completing or withdrawing from the program – including changes in financial capabilities, financial self-efficacy, resilience and wellbeing.

An online survey was conducted with Phase 5 participants who had either completed the program or withdrawn before June 2013 (i.e. 12 months previous to the evaluation reported in this document). Following is a summary of the key findings.

SAVER PLUS PHASE 5 PARTICIPANTS

- > 89% were female
- > 73% had an income of \$400 to \$999 per week
- > 58% were aged between 35 and 49 years
- > 54% were sole parent households.

SUCCESS RATE

- > 93% of participants reached their saving goal.

BUILDING FINANCIAL CAPABILITIES

Since Saver Plus:

- > 88% of participants were better able to plan ahead
- > 87% had set longer-term financial goals
- > 82% of participants were better able to make ends meet
- > 82% of participants had increased knowledge about financial products and services
- > 81% shopped around more when buying products or services
- > 65% of participants always used a budget.

“ TESTIMONIAL

I've learnt that by saving just a little each week, it will add up. By having goals in place I found it more beneficial than just saving money for no purpose. I've learnt to save for wanted items, rather than use credit cards or store cards.

This program has had a massive impact on my family and personal life. The year I did the savings I was on a Single Parent Disability Pension. I saved for the program, a holiday to Tasmania, and paid off bills along the way. I used to be a huge impulse buyer, but I have now learnt to live within my means.

I currently have a part time job and I have just been approved for a car loan. I have paid off all credit cards and store cards, and have only one lower payment for the loan. My next goal is a house deposit.

Thank you for the program, it is very beneficial if you take the advice and listen!”

Participant (La Trobe, VIC)

DEVELOPING A SAVINGS HABIT

Since Saver Plus:

- > 94% of participants were saving the same amount or more 12 months later
- > 78% had increased the amount of savings and assets
- > 61% of participants saved a set amount regularly.

INCREASING FINANCIAL SELF-EFFICACY²

Since Saver Plus:

- > The average financial self-efficacy levels of participants increased. A scale including a set of six questions was used to measure participants' financial self-efficacy. Possible scores ranged from 0 (the lowest) to 24 (the highest). Participants' average score increased from 13.4 to 16.6 after completing Saver Plus.

² Financial self-efficacy can be defined as 'having the confidence in one's ability to deal with a situation without being overwhelmed' (Hira, 2010, p15).

TOWARDS FINANCIAL RESILIENCE

Key outcomes of Saver Plus have clearly supported the goal of improving financial resilience of participants.

Since Saver Plus:

- > 93% feel better able to deal with financial problems
- > 90% feel better equipped to make financial decisions
- > 88% feel they can cope with unexpected expenses when they arise
- > 86% of participants felt they have more control over their finances
- > 83% have encouraged their children or family members to save
- > 78% have increased their total savings and assets
- > 70% of participants feel less stress about the future
- > 67% have shared lessons with family or friends.

In addition, we have tracked a number of other indicators which relate to financial resilience, in order to illustrate the broader impacts of Saver Plus on participants' financial wellbeing:

- > 48% have reduced the amount of Government benefits they receive
- > 41% have reduced their household debt
- > 39% have commenced a new job
- > 37% have increased hours of paid work
- > 35% feel more confident in finding paid work
- > 33% have taken out new insurance products
- > 13% have increased their contributions to Superannuation
- > Fewer participants have had to rely on pay day lenders (decreased from 15% to 5%).

PARTICIPANT VIEWS OF SAVER PLUS

Over the past decade, there have been many first-hand testimonials to the value of Saver Plus from participants themselves. Phase 5 participants were asked to rate Saver Plus on three 10 point scales³

- > 89% rated the likelihood of recommending the program to others between 8 and 10 points
- > 88% gave the program an overall rating of between 8 and 10 points
- > 82% of participants rated relevance to everyday life between 8 and 10 points.

³ Each scale ranged from 1 to 10 with 1 being the lowest score (i.e. most negative) and 10 being the highest (i.e. most positive).

1.0 ABOUT SAVER PLUS

Saver Plus is the product of a successful long-term partnership between ANZ and the Brotherhood of St Laurence. Together, they designed and developed the program and managed its implementation. ANZ provides the matched funds, banking systems and program resources. The Saver Plus National office (SPNO), housed within the Brotherhood of St Laurence, provides the administration of the program and support to community partners to assist them in implementing and delivering Saver Plus.

The Saver Plus Partner organisations include The Smith Family, Berry Street and The Benevolent Society, each of whom have supported ANZ and BSL in the national governance and development of the program since its inception, and are responsible for their own service delivery across Australia.

Saver Plus has been supported by the Australian Government since 2009. The program now represents a best-practice example of community-business-government partnership, with each sector providing their unique expertise and resources to the mutual goal of increased financial wellbeing and capability for lower-income Australians.

In Phase 5, Saver Plus has been delivered in 60 sites across Australia through community organisations under a Saver Plus license agreement. The licence agreement with each organisation ensures the program is delivered consistently across all sites. The following organisations currently deliver the Saver Plus program: The Brotherhood of St Laurence, The Benevolent Society, Berry Street, The Smith Family, Haven, Ballarat Group Training, Bethany, Jewish Care Victoria, AnglicareSA, Anglicare WA, and Anglicare NT⁴.

The eligibility criteria for participation in Saver Plus are:

- > Be 18 years or over
- > Be either:
 - A parent or guardian of a child attending school in the year of enrolment or the following year
- Or
 - Attending or returning to vocational education where they will receive an accredited vocational education certificate
- > Have a current Health Care Card or Pensioner Concession Card
- > Have regular income from paid employment (participant or partner)
- > Be able to demonstrate a capacity to save after regular expenses have been paid
- > Have a connection to the area in which the Saver Plus program is run, by living, working, studying or having children at school in the area.

Individuals are required to identify and save toward an eligible education-related savings goal and participate in at least 10 hours of the MoneyMinded⁵ financial education program offered as part of Saver Plus. There are four workshops which cover topics such as Planning and Budgeting, Saving and Spending, Everyday Banking and Planning for the Future.

Participants open an ANZ Progress Saver account and make regular and consistent deposits over a 10 month period. At the successful completion of the program, every \$1 saved by the participants while on the program, is matched by ANZ with an additional \$1, up to \$500. As part of the 10 month program, participants have access to a Saver Plus worker who provides advice and assistance if participants face challenges that affect their capacity or ability to save.

⁴ Since this evaluation was conducted, Anglicare NT concluded delivery of the program in Darwin.

⁵ MoneyMinded is ANZ's flagship financial literacy program developed in 2003. A 'short course' version consisting of four workshops (MoneyMinded Basics) is used in Saver Plus.

The survey aimed to capture changes in financial knowledge, behaviour and attitudes resulting from participating in Saver Plus.

The evaluation was conducted using an online survey sent to a sample of Phase 5 participants. The sample included participants with a valid email address who enrolled in and completed or withdrew from Saver Plus between 1 August 2011 and 1 July 2013 - a total sample of 1,789. Of all participants, 1,368 had completed the program and 421 had withdrawn. We purposely chose participants who had graduated from the program (or withdrawn) at least 12 months prior to the survey to capture medium-term outcomes, i.e. changes that had become embedded in the lives of participants and were not short-term effects of the program.

The survey aimed to capture changes in financial knowledge, behaviour and attitudes resulting from participating in Saver Plus. This survey covered topics on savings patterns, budgeting skills, financial decision-making and confidence, impact on life stressors and satisfaction with the Saver Plus program. The questions related to participants' opinions before and after they did the Saver Plus program. To facilitate comparison with previous Saver Plus phases, a range of identical questions were used from previous evaluation instruments.

In total, 392 survey responses were recorded. 363 (27%) had completed Saver Plus and 29 (9% of sample) had withdrawn from the program. The final number of usable responses was 315 (302 Saver Plus completers and 18 non-completers). Much of this report will focus on those who completed the Saver Plus program⁶.

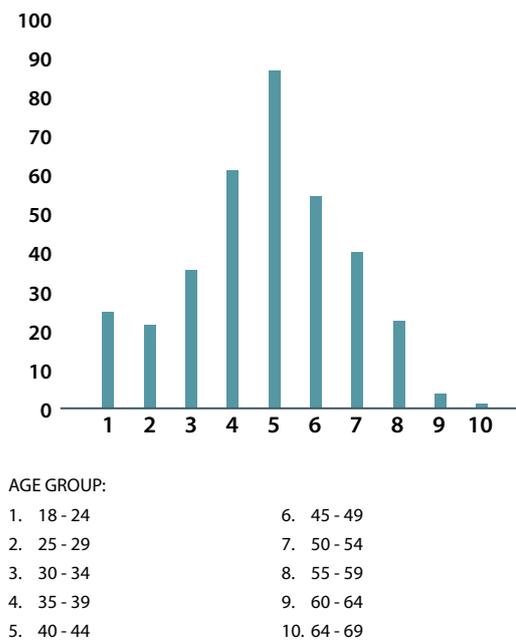
⁶ **Analysis notes:** The sample sizes in the charts will differ because of missing data (e.g. respondents who exited the survey before it was completed). Percentages in the charts that follow may not add up exactly to 100% due to rounding. The Wilcoxon Signed Ranks test was used to test the change in participant ratings before and after the program. The significance level was set at .05 for all comparisons. The effect size, r , is also reported, as an indicator of practical significance. An effect size of 0.10 is considered small, 0.30 medium, 0.50 as large and 0.70 as very large.

3.0 SAVER PLUS PARTICIPANT PROFILE

3.1 GENDER AND AGE

The participant profiles of Phase 5 are similar to those from previous phases. The majority of participants were female (89%), aged between 35 and 49 years (see Figure 1) and 54% were from single parent households.

FIGURE 1
Number of survey respondents in each age group



3.2 PARTICIPANT SOCIO-DEMOGRAPHICS

- > 54% of participants were sole parents with children, 30% were couples with dependent children, 6% were single people with no dependent children, 6% were individuals living at home with parents and 4% were couples with no children.
- > 43% rented their home and 36% were paying a mortgage on the home they lived in.
- > 44% of participants had university degrees and 29.5% had completed year 12.
- > 62.5% of respondents were employed and 14% were studying either full-time or part-time. 4% of respondents reported being unemployed and looking for work.
- > 44% of respondents received an income of between \$1,200 and \$1,998 per fortnight and 29% received between \$800 and \$1,198.

TABLE 1
Income Range for Saver Plus Participants

	N	%
Less than \$400 per week	31	9.8
Between \$400 and \$599 per week	92	29.2
Between \$600 and \$999 per week	139	44.1
Over \$1,000 per week	42	13.3
Don't know	11	3.5
Total	315	100.0

4.0 BUILDING FINANCIAL CAPABILITIES

Saver Plus has consistently helped to develop participants' financial capabilities. These skill sets include saving, budgeting, setting financial goals, planning ahead, and better managing spending, debt and credit. Participants also acquire useful knowledge about financial products and services and discover resources that can help them make effective financial decisions when they arise. The results from Phase 5 continue to confirm those of earlier evaluations and show positive changes across all indicators of financial capabilities.

4.1 SAVING BEHAVIOUR OF PARTICIPANTS

Overall, participants were evenly distributed between saving for education for themselves, for a child, or for both themselves and a child.

Saver Plus education goals

Saving for an education product or service is one of the criteria for participating in Saver Plus. The benefits arising from this criterion are significant for the individual and society (see report *Saver Plus: a Decade of Impact* for details on benefits of saving). 78% of participants agreed that the product purchased with the matched savings was beneficial for their own or their child's education experience.

Many participants commented that saving for their child's or their own education had provided opportunities for more advanced learning and a higher quality educational experience that they would not have had otherwise.

'The laptop was a good resource for my child to complete school projects and homework. My son could go to school in a new uniform and feel proud of his appearance.'

'My son has autism and has difficulty with hand-writing. Having a laptop has enabled him to take notes far more easily.'

'My son was able to enjoy camp with his class mates making him feel more a part of the school community.'

'It has helped me undertake my university studies by distance as I have my own computer.'

'The desk has provided a space for us both to study.'

'It helped me re-skill as I did a diploma.'

The most common items saved for were school uniforms (25%), then tablet devices, books and textbooks and laptops (21% each).

TABLE 2
Savings Goals

SAVING GOAL	% OF PARTICIPANTS
School uniforms	25
iPad, tablet	21
Books and textbooks	21
Laptop	21
Stationary, supplies	17
School fees, contributions	16
School camp	11
Sports equipment, sports or club membership	10
Desktop computer	9
Musical instrument, music lessons	8
Swimming lessons	6
Vocational or educational tools or equipment	5
Printer	5
Internet connection	4
Other course or training fees	4
Other items	3
Tutoring or remedial classes	3
Study desk, bookcase etc.	3
IT repairs or upgrades	2

Note: Participants could choose more than one goal

For participants who completed Saver Plus, their median weekly saving was \$0 before the program and \$30 since completing Saver Plus.

Saving amounts: goals and deposits

93% of participants achieved their savings goal. The average savings goal was \$644⁷ with the median savings goal being \$500. The average amount saved was \$615 and the median amount saved was \$500.

For participants who completed Saver Plus, their median weekly saving was \$0 before the program and \$30 since completing Saver Plus. This difference was statistically significant. Of those who withdrew from the Saver Plus program, their median weekly saving was \$0, and after the program it was \$25.

When we review the amount saved at the 75th percentile (that is the amount at which 75% of the group was saving up to) it is more telling. For the participants who withdrew from the study, 75% were saving \$5 or less per week before the program, compared to those who completed, where 75% were saving \$25 or less. Those who withdrew from the program appear to have had less capacity to save than those who completed the program. However, since withdrawing from the program, participants' ability to save increased quite steeply in comparison, becoming almost as high as those who had completed Saver Plus.

Given that such a small sample of participants who withdrew from the study completed the survey, it might have only attracted those who were proud of what they had achieved even though they had to withdraw from the program. Indeed some qualitative feedback from those who had withdrawn indicated that the program had an extremely positive impact on their lives, despite having not completed it. Following is an example of some feedback from a participant who did not complete the program, indicating the potential effect Saver Plus can have on participants irrespective of whether they complete the program.

'I have made a habit for the first time in my life (I'll be 40 this year) of saving every single week using the same ANZ account. I have been able to save enough to take my son on a cruise! And to ... start my own little business. So I was not receptive at the time to the assistance Saver Plus was offering but it was far from a failure and has in fact helped me and my children, relieved a lot of stress for us all, helped me form new positive habits with money and bought us some much needed joy! Now I'm saving up to take the kids overseas next year. Thank You.'

⁷ Most participants opted to save for \$500 (the maximum matched amount), however the average saving goal of \$644 is affected by outliers reflecting responses by some participants who indicated in the survey a larger saving goal.

4.0 BUILDING FINANCIAL CAPABILITIES

Saving patterns

Prior to undertaking the Saver Plus program, only 10% of those who completed the program saved a set amount on a regular basis. After Saver Plus, 61% of participants saved a set amount on a regular basis. Prior to Saver Plus, 27% of participants were unable to save at all, this proportion reduced to 2% after completing the program. The positive shift was statistically significant.

Participants who withdrew from the program also improved their saving behaviour. Only 11% of those who did not complete Saver Plus were able to save a set amount on a regular basis before commencing the program and, at the time of the evaluation, 28% reported being able to save regularly. Similarly, 44% were unable to save prior to enrolling in Saver Plus and this proportion reduced to 22% at the time of evaluation. The changes in saving behaviour among those who did not complete the program were statistically significant.

FIGURE 2

Saving habits before and after Saver Plus of those who completed the program

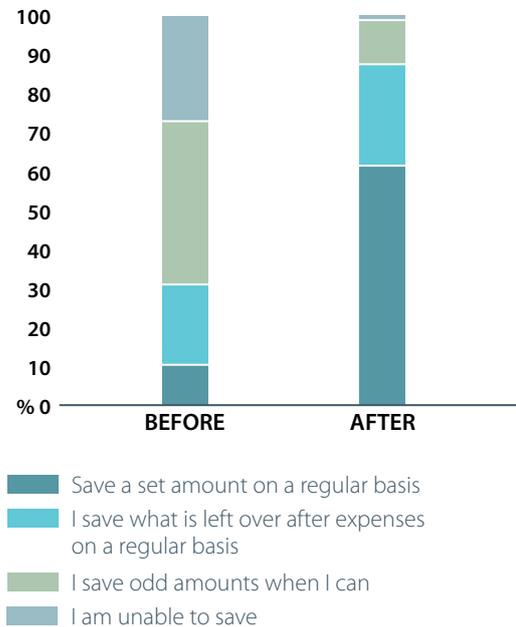
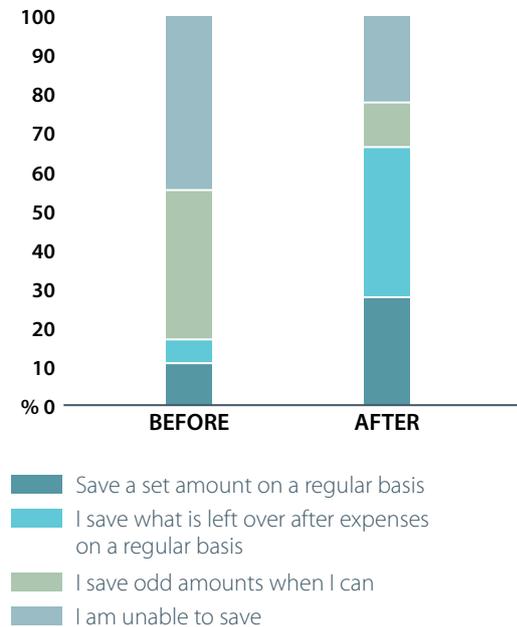


FIGURE 3

Saving habits before and after Saver Plus of those who withdrew from the program

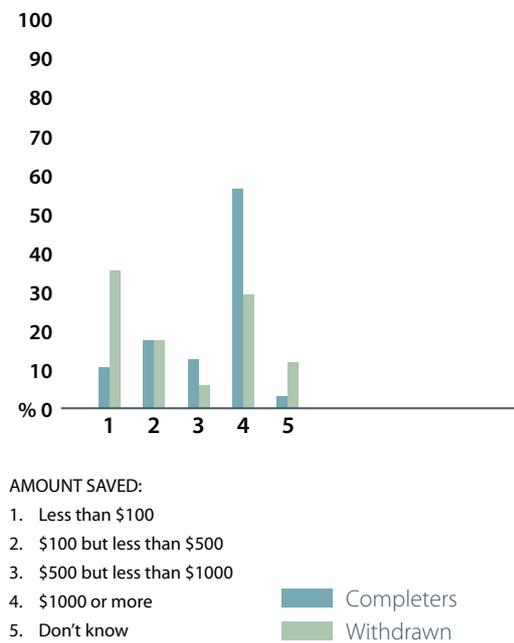


Savings and deposit amounts post-Saver Plus

Positive changes in saving behaviour were being maintained well after participating in Saver Plus. Since Saver Plus, 94% of participants who completed the program reported that their monthly savings deposits had increased or stayed the same (64% increased and 30% stayed the same) which is 7% higher than that reported in the previous evaluation of past participants conducted in 2011 (Russell et al., 2011). Of those who did not complete the program, half reported that their monthly savings had increased and the other half reported that they had stayed the same.

In terms of total amount of savings participants had accumulated post-Saver Plus, 56% reported having between \$1,000 and \$3000 in savings⁸. Those who completed the program were more likely to have \$1,000 or more in savings (56%), compared to those who did not (29%).

FIGURE 4
Level of savings of those who completed and those who withdrew from Saver Plus



⁸ Due to small sample sizes the group who saved more than \$3,000 were combined with those who had \$1,000 to \$3,000 in savings

4.0 BUILDING FINANCIAL CAPABILITIES

4.2 PLANNING AHEAD

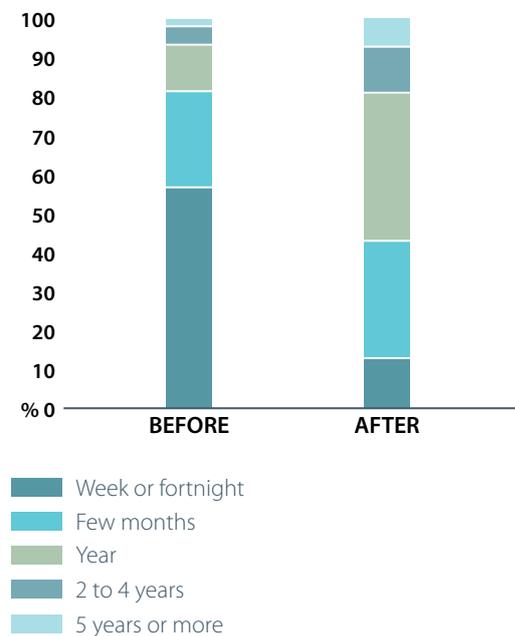
Saver Plus has changed how participants plan their saving and spending; 88% of participants reported that because of Saver Plus they were better able to plan ahead. Many individuals and households living on low incomes tended to plan their finances over a week or fortnight at most to coincide with income payments. Planning further in advance can be quite stressful for low-income people when larger expenses such as car registration, utility bills and insurance premiums are brought into focus and there is not immediate capacity to be able to pay them.

Managing day-to-day or week-to-week reflects the time horizons within which low-income people can best cope. By extending that horizon, and taking account of future expenses and incorporating the practice of setting small amounts aside to go towards the larger, regular bills plays a large part in reducing stress levels of participants and helping them have more control over their finances.

Prior to Saver Plus, 57% of participants planned their saving and spending over the next week or fortnight. After Saver Plus only 13% continued to plan for the next week or fortnight. Before Saver Plus, only 19% planned for 12 months or longer, whereas after Saver Plus, 57% planned for this longer period of time. These changes are statistically significant. The differences are shown in Figure 5.

FIGURE 5

Length of time for planning saving and spending



Being able to pay bills on time is an important indicator of being able to make ends meet. 92% of participants were able to pay their bills on time after Saver Plus compared to 52% before doing the program.

4.3 MAKING ENDS MEET

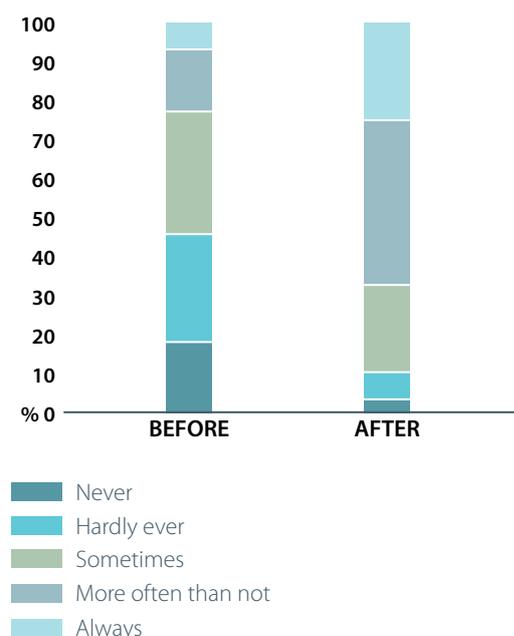
Having money left over by the next pay day is a strong indicator of being able to make ends meet; 82% of participants reported that because of Saver Plus they are better able to make ends meet. Saver Plus has consistently, over all phases, helped participants to better manage their income enabling them to have money left over by their next pay. This is an important predictor of having capacity to save. 69% of participants said they cut down on their spending in order to save.

Before doing Saver Plus, only 7% of participants always had money left over, and after Saver Plus 25% of participants *always* had money left over with an additional 42% more often than not having money left before next pay. Prior to Saver Plus, 45% of participants would run out of money before their next pay, whereas after Saver Plus, this proportion was reduced to 10%.

Being able to pay bills on time is an important indicator of being able to make ends meet. 92% of participants were able to pay their bills on time after Saver Plus compared to 52% before doing the program.

FIGURE 6

Frequency of having money left over before next pay



4.0 BUILDING FINANCIAL CAPABILITIES

4.4 BUDGETING

Most people living on low incomes habitually keep to a strict budget and have a thorough knowledge of their income and expenses. However, the participants in Saver Plus were still able to learn additional budgeting techniques and the program motivated them to use a budget more often or stick to it more closely. There was a statistically significant increase in participants' use of a budget after completing Saver Plus. Prior to completing Saver Plus, 27% always or more often than not used a household budget, whereas after Saver Plus 65% of participants more often than not or always used a budget.

As part of the budgeting exercise, participants spent time calculating the cost of living which enabled them to better budget and plan. Before Saver Plus 56% of participants knew how much they needed for daily living expenses and after Saver Plus this proportion increased to 92%. The change is statistically significant.

FIGURE 7
Use of a budget

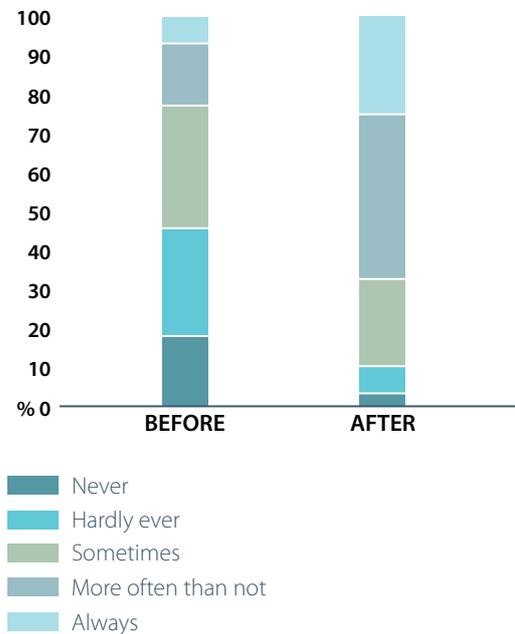


TABLE 3
Participants' knowledge of daily living expenses

KNOWING HOW MUCH IS NEEDED FOR DAILY LIVING EXPENSES	DISAGREE %	AGREE %
Before Saver Plus	43	56
After Saver Plus	8	92

After completing Saver Plus more people reported setting longer-term goals (from 39% before to 87% after the program).

4.5 SETTING LONGER-TERM FINANCIAL GOALS

There was also a significant increase in the proportion of participants setting longer-term financial goals after doing Saver Plus (from 39% before to 87% after the program). Participants also reported that they had set financial goals to achieve in the next 12 months (from 46% before Saver Plus, to 84% after Saver Plus). These changes were statistically significant.

FIGURE 8
Setting financial goals before and after completing Saver Plus



4.0 BUILDING FINANCIAL CAPABILITIES

4.6 MANAGING CREDIT & DEBT

Credit cards

Participants who own a credit card⁹ have managed their use more effectively after completing Saver Plus. Before Saver Plus, 10% struggled to pay the minimum each month and after Saver Plus, only 2% found it difficult to pay the minimum each month. Before Saver Plus 20% of participants paid the full balance each month and after Saver Plus 32% reported they pay the whole amount each month.

TABLE 4
Participants' management of credit cards before and after Saver Plus

	%	
	Before Saver Plus	After Saver Plus
I struggle to pay the minimum each month	10	2
I only ever pay the minimum each month	14	1
I pay more than the minimum frequently	13	13
I pay more than the minimum amount required each month	10	16
I pay the full balance each month	20	32
I don't have a credit card	34	36

Debt levels

Saver Plus has over the last 10 years enabled participants to decrease their debt levels. 41% of participants in this phase have decreased their level of household debt (excluding a mortgage). Having less debt and more savings increases financial resilience and wellbeing.

TABLE 5
Participants' levels of household debt since Saver Plus

	PARTICIPANTS %
Not including a mortgage, what has happened to your overall household debt over the last 12 months?	
Decreased	41
I have no debt	24
Stayed the same	20
Increased	15

Short-term cash loans

While the majority of Saver Plus participants appear not to use short-term credit products, participating in Saver Plus appears to have further reduced the demand for pay day loans.

Prior to Saver Plus, 47 participants (15%) reported obtaining a short-term cash loan. In the time since Saver Plus, only 16 participants (5%) had accessed short-term cash loans, which was a statistically significant change.

TABLE 6
Participants' demand for short-term cash loans before and after Saver Plus

	%	
	Before Saver Plus	After Saver Plus
No cash loans	85	95
1 to 10	14	5
11 to 20	1	0

⁹ Participants who did not have a credit card were excluded from the analysis.

4.0 BUILDING FINANCIAL CAPABILITIES

4.7 FINANCIAL AND CONSUMER KNOWLEDGE AND BEHAVIOUR

Being armed with sufficient financial knowledge helps individuals to build confidence and resilience. Those who completed Saver Plus report they have significantly improved their knowledge and skills in choosing financial products, dealing with banks, knowing the right questions to ask about financial issues and spending more time shopping around for financial products and services.

Shopping more wisely

Since completing Saver Plus participants take more time to compare prices and features of products and services they are considering purchasing. 81% of participants reported that because of Saver Plus they shopped around more when buying products or services than they did previously.

Confidence in dealing with banks

90% of participants felt more confident in dealing with banks and other financial institutions after completing Saver Plus compared to 63% before doing the program. Being confident in dealing with financial matters and institutions will more likely lead to feeling more confident in making changes that better suit individual financial needs.

Changes to banking arrangements

After Saver Plus 38% of participants actively made changes to their banking arrangements to better suit their needs. Some closed accounts that had high charges or consolidated accounts to simplify their finances. Some participants reported opening more savings accounts to better allocate money towards their goals. Other participants found they had the confidence to actually talk to their bank.

Improved knowledge of financial products

82% of participants report that because of Saver Plus their knowledge about financial products and services has improved. This is reflected in the actions taken in changing arrangements and/or exploring the features more closely of their existing products.

Making financial decisions

Over a lifetime individuals are faced with many and different types of financial decisions. Saver Plus arms participants with the knowledge about what to look for and what to look out for when faced with financial decisions. There was a significant increase in the proportion of participants (from 61% before Saver Plus to 90% after Saver Plus) who felt better equipped when having to make a financial decision.

79% of participants reported that because of Saver Plus, they are more aware of where to get help when they are faced with financial decisions.

5.0 INCREASING FINANCIAL SELF-EFFICACY

Saver Plus has significantly increased the financial self-efficacy of participants who completed the program. Self-efficacy refers to personal mastery or a belief in one's own ability to tackle new tasks and problems. Financial self-efficacy can be defined as 'having the confidence in one's ability to deal with a situation without being overwhelmed' (Hira, 2010, p15). It is an important element in building resilience and being able to cope with life's stressors and unexpected financial events. Increasing levels of financial self-efficacy is a valuable outcome of Saver Plus that has implications for an individual's wellbeing. The financial self-efficacy scale (Lown, 2011) was used to measure participants' levels of financial self-efficacy before and after completing Saver Plus. The scale consists of six statements listed in Table 7 and the scores for each item were combined to give an overall financial self-efficacy score. The highest possible score is 24 and the lowest is 6.

There was a statistically significant difference in the change of overall financial self-efficacy scores of those who completed Saver Plus. Before Saver Plus the average score was 13.4 and after Saver Plus the score was 16.6. Table 7 shows that after Saver Plus more participants:

- > found it easier to stick to their spending plans when unexpected expenses arise
- > found it less challenging to make progress towards financial goals
- > did not have to use credit when unexpected expenses occurred
- > found it easier to figure out a solution when faced with a financial challenge
- > had increased confidence in their ability to manage their finances
- > were less worried about running out of money in retirement.

TABLE 7

Change in financial self efficacy scale Items before and after Saver Plus

	Disagree %	Agree %
It is hard to stick to my spending plan when unexpected expenses arise		
Before	13.6	86.5
After	44.1	55.9
It is challenging to make progress toward my financial goals		
Before	15.5	84.6
After	51.3	48.7
When unexpected expenses occur I usually have to use credit		
Before	42.9	57.1
After	74.4	25.6
When faced with a financial challenge, I have a hard time figuring out a solution		
Before	52.5	47.5
After	86.1	13.8
I lack confidence in my ability to manage my finances		
Before	55.8	44.2
After	90.1	9.9
I worry about running out of money in retirement		
Before	29.3	70.7
After	31.5	58.9

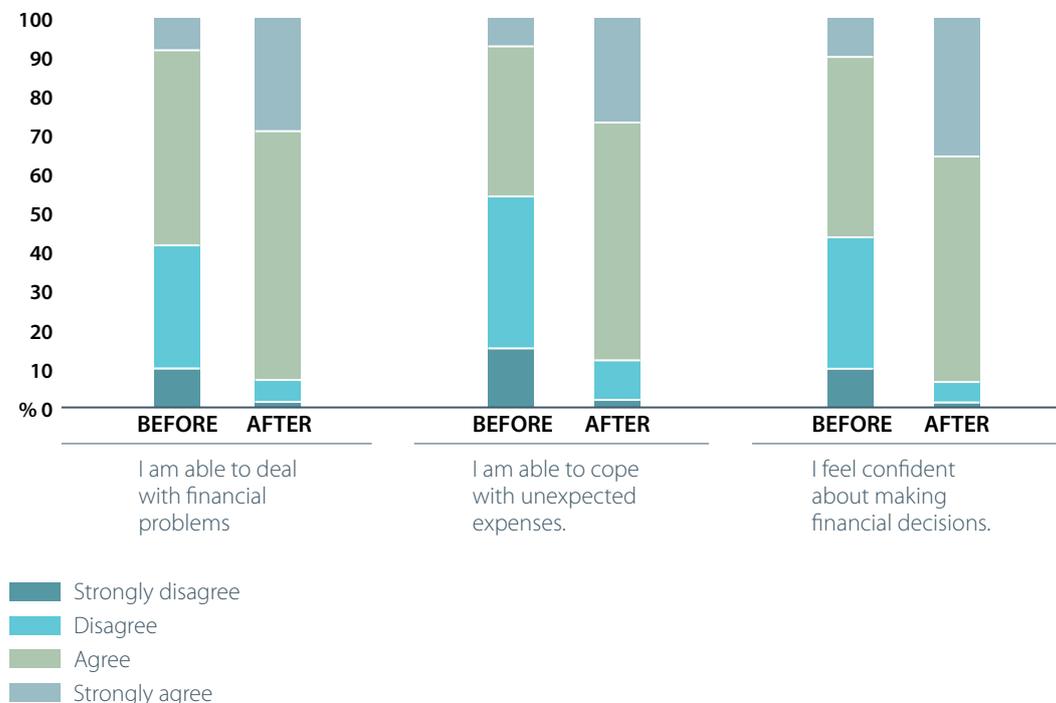
Saver Plus helps individuals build financial resilience. Having the resources and skills to cope with adversity and unexpected financial problems is an important aspect of long-term financial wellbeing. Unexpected events and expenses occur in everyday life but being equipped to deal with these unexpected events is a sign of having resilience and will lessen the chance of falling into hardship. Building confidence to deal with an array of financial situations and problems – i.e. having financial self-efficacy – is a major contributing factor in developing resilience and equips individuals with the personal resources required to deal with unforeseen situations.

Saver Plus has helped participants to reduce their reliance on government benefits, increased levels of paid employment and income and decreased household debt. These are all outcomes that reflect a greater level of financial resilience.

Other indicators of increased financial resilience are feeling more confident in making financial decisions, being better able to cope with unexpected expenses, better able to deal with financial problems, and having more insurance to protect against risk. Participants reported significant changes in all these indicators after they completed Saver Plus.

FIGURE 9

Changes in dealing with financial problems and decisions before and after Saver Plus



6.0 TOWARDS FINANCIAL RESILIENCE

86% of participants feel they have more control over their finances. Having control over one's circumstances and finances is a contributing factor to building resilience and overall wellbeing.

Better insured

While increasing participants' levels of insurance wasn't a primary aim of Saver Plus, being better protected against risk of loss is an important contributor to financial resilience. The lack of protection against insurable events leaves those already in precarious financial positions vulnerable to further hardship and often irrecoverable financial setback (Russell et al. 2014).

Many people living on low incomes struggle with the affordability of insurance products, feel that insurance products are not suited to their needs or are unsure how to choose the most appropriate product. Having a better understanding of insurance products helps to alleviate some of the issues contributing to non and under-insurance. Saver Plus has helped participants to not only be more confident about choosing an appropriate insurance product, it has actually motivated 33% of participants to take out new insurance products.

Increased contributions to superannuation

13% of participants increased their superannuation contributions after completing Saver Plus. Although this is a fairly small proportion, it signals that the program has prompted participants to think about their future.

Increasing control over finances

86% of participants feel they have more control over their finances. Having control over one's circumstances and finances is a contributing factor to building resilience and overall wellbeing.

Decreasing debt levels

41% of participants reported that in the previous 12 months since completing the program, their overall level of household debt (not including a mortgage) had decreased.

6.0 TOWARDS FINANCIAL RESILIENCE

Since completing Saver Plus, 39% of participants had started a new job, 37% had increased their working hours and 35% felt more confident in finding paid work.

Increasing income

In the last 12 months, 40.7% of participants reported that their household income has increased.

Increasing employment

Since completing Saver Plus, 39% of participants had started a new job, 37% had increased their working hours, and 35% felt more confident in finding paid work. However, 17% of participants had lost a job, and 20% had reduced their hours of paid work.

TABLE 8

Changes in employment since completing Saver Plus

EMPLOYMENT EVENTS	%		
	Yes	No	Not applicable
Lost a job	17	60	23
Started a new job	39	44	17
Reduced hours of paid work	20	57	23
Increased my hours of paid work	37	42	21
Feel more confident in finding paid work	35	24	41

Increasing savings and assets

The total value of savings and assets of Saver Plus participants increased in 78% of cases.

Reducing reliance on government benefits

In terms of the amount of government benefits received by participants, 48% reported that the amount they received since Saver Plus had decreased¹⁰. While we were unable to report specific reasons for the reduced amounts of government benefits received by participants, we do know from other data from the survey that 37% of participants had increased their working hours and 40% had increased household income since doing Saver Plus.

¹⁰ The response options to the question regarding amount of government benefits participants received since completing Saver Plus were limited to 'increased', 'stayed the same' or 'decreased'.

7.0 IMPROVING PARTICIPANTS' OVERALL WELLBEING

Similar to previous phases, participants in Phase 5 of Saver Plus have reported reduced stress levels, improved family life, increased confidence and higher self-esteem after participating in Saver Plus.

70% of participants who completed Saver Plus agreed or strongly agreed that they felt less stressed about the future, 74% felt more confident in other aspects of their lives, and 83% felt they were better able to provide for their families. 88% of participants also felt better about themselves because they achieved their savings goal.

83% of participants had encouraged their children and family members to save and 67% shared lessons with family and friends.

7.1 PERSONAL WELLBEING MEASURES

Six measures from the Personal Wellbeing scale were included to measure social and personal benefits of participating and completing the Saver Plus program. Participants were asked to rate how satisfied they were on a scale ranging from 0 (not satisfied at all), to 10 (completely satisfied).

On all measures of personal wellbeing, participants who completed Saver Plus were more satisfied with their life as a whole, financial situation, family life, feeling part of their community, and their health. The greatest change, as would be expected, was found for satisfaction with their financial situation, which shifted from an average of 3.5 out of 10 to 6 out of 10. Satisfaction with family life received the highest average score of 6.5 which was a statistically significant improvement from 5.2 out of 10.

TABLE 9

Personal wellbeing indicators before and after Saver Plus

Satisfaction with:	Before Saver Plus, Mean score	After Saver Plus, Mean score
Life as a whole	4.5	6.4
Financial situation	3.5	6.0
Personal relationships	4.8	6.0
Feeling part of your community	4.3	5.3
Family life	5.2	6.5
Health	5.1	5.9

8.1 POSITIVE COMMENTS FROM PARTICIPANTS ABOUT SAVER PLUS

The majority of participants from all phases of Saver Plus have always rated the program very positively and have indicated high levels of satisfaction from participating. The participants from this phase also responded favourably about the program. Responses from all participants were combined for this section on program feedback. Participants were asked to rate Saver Plus on several 10 point scales. The ratings for relevance to everyday life (82% scored the program 8 to 10 points), overall rating of the program (88% scored the program 8 to 10 points) and likelihood of recommending the program to others were all very high (89% scored the program 8 to 10 points).

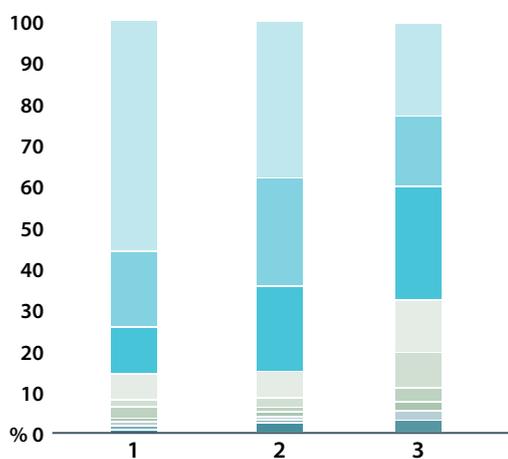
There were a large number of positive comments from participants about their experience in the program. Following are a few examples of the reasons participants gave for rating the program highly:

'The information I was given made me realise how important savings are to the health and wellbeing of myself and my family. It gave me more confidence and encouraged me to save instead of spending all the time. I am now able to manage my money much more effectively than previous. The program was very enjoyable and well worth taking the time to participate.'

'Saver Plus totally changed the way I manage my income and expenses and taught me ways to control my spending instead of my spending controlling me. It transformed my life and I've been able to save for the first time since my divorce. It's also having a flow-on effect on my son, who now has his own Progress Saver accounts and is much more disciplined with his spending.'

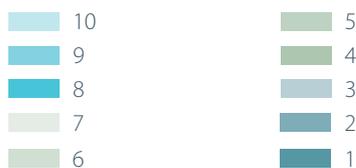
'Loved the program. I did it at a time in my life I was struggling financially. I have since gone on to buy a house and get myself into a much better position which I never thought possible. Before I did the program I was depressed thinking I would be renting forever and would never get anywhere. Thank you for helping me.'

FIGURE 10
Participants ratings of Saver Plus



FEEDBACK:

1. Recommend to others
2. Overall rating
3. Relevant to everyday life



8.0 PARTICIPANTS' VIEWS ON SAVER PLUS

The information I was given made me realise how important savings are to the health and wellbeing of myself and my family. It gave me more confidence and encouraged me to save instead of spending all the time.

8.2 CHALLENGES

For those who gave the program a lower rating, most of the challenges related to difficulties with attending the workshops. Sole parents juggling work commitments and childcare issues meant that finding a suitable workshop time was an extra stressor. For a few participants, physical or mental health issues posed problems:

'Due to working part-time and being a single parent it was hard to attend a course available at a time that worked around my commitments.'

'I found it difficult to get to the training days due to my erratic roster.'

'My being blind – lead to trouble in analysing my shopping docket.'

'I have anxiety, so I found being in a group really challenging, but the facilitator was terrific and helped me relaxed and checked that I was able to take in the information we were given. I don't think I would have been able to complete the program if she wasn't [as] supportive as she was. My depression, anxiety and level of understanding at times [were] a barrier.'

9.0 CONCLUSION

Saver Plus continues to increase participants' financial and overall wellbeing. Phase 5 of the program has confirmed that, by building financial capabilities and facilitating the development of a saving habit, financial self-efficacy can be enhanced which can lead to greater levels of resilience for participants. While Saver Plus cannot safeguard participants against negative life experiences or financial events, it can equip them with tools and habits that can mitigate the effects and help them to make the best decisions regarding how to recover from these events. Saver Plus can also help participants build assets and enhance their financial situations which can lead to longer-term financial security. Saver Plus also works towards stemming intergenerational financial hardship by promoting saving habits within the family unit.

By measuring outcomes 12 months after the participant was engaged with the program, we can be confident that the changes are embedded in their everyday lives, and that the effects of the program are not just short-term. Good financial habits can take time to become permanent and for any flow-on effects to develop.

The consistent findings from the evaluations of all phases continue to reassure evaluators and those who invest in the program that many positive outcomes can be attributed to Saver Plus. Furthermore, accumulation of evidence over a decade has demonstrated that Saver Plus can change lives and promote long-term financial and overall wellbeing.

10.0 REFERENCES

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