



Media Release

For Release: 16 October 2009

Low-income savings program to expand nationally through \$13.5 million Federal funding

The Brotherhood of St Laurence and ANZ, along with community partners Berry Street, the Benevolent Society and The Smith Family, welcomed yesterday's announcement by the Prime Minister, Kevin Rudd, to provide \$33 million in Federal funding for innovative projects that build financial resilience.

The funding, from the Department of Families, Housing, Community Services and Indigenous Affairs includes \$13.5 million to expand the Saver Plus program. Saver Plus is a matched savings and financial literacy program for people on low incomes, which is currently delivered from 20 locations across Australia. The funding will more than double the program's reach by making it available from more than 50 sites, assisting an additional 7,600 people by 2011.

Brotherhood of St Laurence Executive Director, Tony Nicholson, said: "Assisting people to develop a savings habit, to build assets and to improve their financial well-being has powerful impacts for communities by reducing social and economic disadvantage.

"More than 5,000 people have already joined the program and with the Government's generous support we can assist in reducing financial exclusion across many more Australian communities," Mr Nicholson said.

ANZ Chief Executive Officer, Mike Smith, said: "This is an exciting development to assist people on low incomes by encouraging them to save and build a better life.

"Since ANZ and the Brotherhood first piloted Saver Plus in 2003, we have worked with a number of other community partners to bring the program to thousands of Australians. It's great to see the value of their work and the positive impact it has had on so many individuals and families recognised through this important Government initiative.

"Saver Plus is part of our Corporate Responsibility strategy to create pathways to individual prosperity for disadvantaged communities, and together with our community partners I'm very pleased to see Government participation in the program," Mr Smith said.

Recent RMIT research¹ found that Saver Plus is highly effective at building financial literacy skills and establishing a savings habit with people on low-incomes. RMIT also found the education experiences of participants and their families improved because they spend their matched savings on educational items, with the most commonly purchased items including computers, school uniforms, textbooks, music and sport.

Saver Plus has already assisted more than 5,000 people to save more than \$4 million, with matched savings provided by ANZ of \$4 million.

¹ Russell, R, Harlim, J and Brooks, R. *Saver Plus 2008 follow-up survey results - Saving behaviour of past Saver Plus participants*, RMIT University, Melbourne, May 2008.

As part of the Federal Government funding an additional \$1 million would be provided to pilot different delivery models of the small loans program Progress Loans, to improve the sustainability of the program. "The Brotherhood of St Laurence also looks forward to working with ANZ to expand Progress Loans, a program designed to meet the needs of people who don't qualify for loans with mainstream lenders," Mr Nicholson said.

For media enquiries contact:

Cherelle Murphy
ANZ
Senior Manager Media Relations
Tel: 03 9273 6190
Email: cherelle.murphy@anz.com

Grahame Whyte
Brotherhood of St Laurence
Manager Public Relations
Tel: 0410 221 574
Email: gwhyte@bsl.org.au

Notes to editors – about Saver Plus

Saver Plus directly targets people traditionally excluded from mainstream banking including low-income women and sole parents.

Participants set an education-related savings goal and receive financial education and personal coaching to assist them to reach their goal over 10 months. As an incentive to save, ANZ matches participants' savings dollar for dollar.

Saver Plus was launched in response to ANZ research into financial exclusion that showed six per cent of Australians, and particularly those on low incomes, were fully or partially excluded from appropriate, low cost, fair and safe financial products and services.

Independent research conducted by RMIT shows that Saver Plus is highly effective at assisting people to build their financial literacy skills and establish a long term savings habit. The most recent research² indicates that:

- 96 per cent of participants have successfully met or exceeded their savings goal
- More than 70 per cent have continued saving at the same rate or more, long after completing the program
- More than 48 per cent of participants who met or exceeded their saving goal, decreased their level of debt during the program.

Saver Plus was developed by ANZ and the Brotherhood of St Laurence. Other community organisations involved in the partnership include The Smith Family, Berry Street and The Benevolent Society. The program is also delivered by Jewish Care Victoria, Loddon Mallee Housing Services, Bethany Community Support and Ballarat Group Training.

Notes to editors – about Progress Loans

The Progress Loans program provides small personal loans of \$500 to \$5,000 to people on low incomes for the purchase of household goods and services. The program was developed by ANZ and the Brotherhood of St Laurence in 2006 and is delivered through the Brotherhood offices at Frankston, Fitzroy and Craigieburn.

The central aim of the Progress Loans program is to enable low-income consumers to access affordable, fair and safe mainstream finance to obtain necessary items. Progress Loans are designed for people who have a Health Care or Pensioner Concession Card, have been at their current home for more than six months and are able to make regular repayments. The target market is people who are managing their limited income well and can afford a loan, but are excluded from mainstream finance.

² Russell, R, Harlim, J and Brooks, R. *Saver Plus 2008 follow-up survey results - Saving behaviour of past Saver Plus participants*, RMIT University, Melbourne, May 2008.