



*Saver Plus – encouraging savings and increasing financial capabilities among low-income families*  
*September 2006*

*Evaluation of the Saver Plus pilot phase 2 - final report*

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## Foreword

It is an irony of life that, while children's needs are a key motivation for parents to save, they are also the main reason why parents are unable to do so. The strains children put on a low-income family's budget mean that parents set out with good intentions to put money into savings but they either fail to do so altogether or they start to save but need to access the money for day-to-day needs.

It is a double irony that existing fiscal incentives and rewards for saving benefit people on middle to high incomes, who least need them. Poor families often pay little or no income tax and consequently benefit little from such incentives.

Saver Plus has addressed both these issues very successfully through an effective package of services: matched savings, relationship management and financial education.

The matched savings element is designed to incentivise regular saving. At the same time participants are helped, through relationship management and a sensitive programme of financial education, to find ways of sustaining a savings habit and building up a modest sum to meet costs associated with their child's (or now their own) education. There can be little doubt that this package has had a major impact on the families involved to date, but I will let two of the mothers who took part in the pilot describe what it meant for them.

*I have always wanted to save money – but never have. I would start savings or Christmas accounts but always withdrew after only a few weeks. This experience made me save and proved I could do it. I am confident I could do it again.*

*This programme has benefited my daughter in terms of the things the matched funds will provide for. Just as valuably, it has introduced me to a rationale for planning and organising my saving habits. I will impress upon my children what I've learned.*

There has been such a positive response to education as a savings goal that in the next phase of the program the Saver Plus partners will offer broader eligibility to include those who might benefit from savings for their own educational or vocational opportunities.

Saver Plus is part of a world-wide move to address inequality and disadvantage by tackling the wealth gap that exists in most developed economies. This wealth gap is even greater than the income gap and undoubtedly adds a further layer to disadvantage. Saver Plus has already contributed a good deal to that debate. This report will add to that contribution. If you are coming to the debate for the first time, you cannot fail to be impressed by the importance of reducing wealth inequality and the role that initiatives such as Saver Plus can play. If you are already familiar with the issues you will welcome the additional evidence the report provides.

ANZ is to be congratulated for being far-sighted and willing to finance Saver Plus. And their not-for-profit partners (Brotherhood of St Laurence; The Smith Family; The Benevolent Society and Berry Street Victoria) deserve recognition for the sensitive and professional way they have approached the delivery of Saver Plus. I wish them and their new partners every success as Saver Plus is expanded to more people across a wider area of Australia.

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## Summary

Saver Plus is a program designed to help families on low income improve their levels of financial literacy, develop a savings habit and build assets for educational purposes. The program is an initiative of the ANZ Bank and the Brotherhood of St Laurence (BSL) and has been implemented through partnerships with Berry Street Victoria, The Benevolent Society and The Smith Family.

This document presents the results of the second savings period of the Saver Plus pilot program that ran from October 2004 to December 2005 in four locations: Frankston (the Brotherhood of St Laurence), Shepparton (Berry Street Victoria), Campbelltown, NSW (The Benevolent Society), and South East Queensland (The Smith Family).

Saver Plus is comprised of three components: matched savings at a ratio of \$2 for every \$1 saved; 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 2006; had a Centrelink Health Care Card or Pension Card; 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 education costs.

### The participants

Across the four sites, 408 participants completed the second savings period of Saver Plus (399 agreed to take part in research). There were 44 participants who withdrew from the program during the course of the savings period. The majority of the participants were female sole parents, aged between 30 and 50 years (average age was 42).

For the purposes of the evaluation, the participant population of savings period two was analysed as three distinct groups: new participants across the four sites; a group at Frankston from the first savings period who were allowed to continue for a second time at a reduced matched savings rate of \$1:1; and also a group of Iraqis in Shepparton. Each group is analysed separately in the evaluation.

### Savings behaviour and goal achievement

- Approximately 95% of all participants met or exceeded their savings goal (with nearly 36% exceeding their goal). This is a little higher than the first savings period where 92.4% met or exceeded their savings goal.
- The average amount saved by the participants was \$1,214 with the average monthly saving of \$125.
- The item most commonly saved for and purchased was a computer or computer related equipment.
- Total of \$688,579 matched funds were disbursed.
- All but one participant indicated they planned to continue saving after the program finished and three months later 86% of focus group participants reported they had maintained their saving or were saving more than they did during the program.

### Financial literacy and money management behaviour

Over 80% of participants found the financial education component to be useful or extremely useful. There were many additional benefits that were gained apart from new knowledge and skills. Participants greatly benefited from the social connection from the classes, formed new networks and enjoyed being able to share their experiences with others.

Approximately 96% of the focus group participants reported an increase in their ability to plan and manage their money since undertaking the Saver Plus program.

## Summary

### Effects and benefits from the program

Approximately 99% of participants reported a positive experience of the Saver Plus program.

The program brought additional effects and benefits to the participants apart from their savings and receiving the matched funds. Participants reported:

- A greater emphasis on planning for the future
- A more positive outlook on life
- A greater level of confidence
- Greater levels of self-esteem
- A sense of achievement in reaching a goal
- Reduced stress levels

The top three benefits from the program were: getting the matched funds, getting what was saved for and reduced stress. However, there was evidence that the participants changed priorities during the program. At the beginning of the program, 80% of participants said they joined so they could receive the matched funds but by the end of the program only 34% said that receiving the matched funds was one of the top three benefits.

### Frankston continuing group

From the group of participants in Frankston who joined for the second savings period, 90% were successful in achieving their goal in this phase compared to 96% in Phase 1. However the proportion of individuals who exceeded their target amount was actually higher this time around, rising by 10 percentage points from 29% to 39%. Those participants who did not succeed in meeting their goal in the first phase of the program were more likely not to succeed in the second phase as well.

When compared to the first phase, nearly 40% of this group found it easier to save this time around, which could indicate that saving was indeed becoming a habit. Approximately 82% of the continuing group plan to keep on saving the same amount or more than they did during Saver Plus.

### Iraqi group

The 34 Iraqi participants in Shepparton found the program to be an extremely valuable experience and were successful in achieving their savings goals. All participants were aiming to save \$1000 and 30 out of the group of 34 succeeded in meeting that goal. The effects of the program on the Iraqi participants were similar to that of the other groups and many made changes to their general money management behaviour by reducing the use of credit, distinguishing between needs and wants, using a budget and implementing a regular savings plan.

### Key success factors

As in the first savings period, the conceptual framework of the Saver Plus program proved to be successful. The incentive of the matched funds is a crucial element in attracting participants to the program; the education program gives the participants the 'tools' needed to succeed in achieving their savings goals; and the relationship management provides support when needed.

### Future of Saver Plus

Saver Plus has now been extended to 18 sites across Victoria, Queensland, New South Wales and the ACT. The program will operate over three years with minimum saving periods of 10 months and maximum of 18 months. The eligibility criteria has been expanded to include adults who want to save for their own vocational education as well as parents who want to save for their child's primary school education costs.

## 1.0 Introduction

Saver Plus is a program designed to help families on low incomes improve their levels of financial literacy, develop a saving habit and build assets for educational purposes. The program is an initiative of the ANZ Bank and the Brotherhood of St Laurence (BSL) and includes partnerships with Berry Street Victoria, The Benevolent Society in Campbelltown, New South Wales, and The Smith Family, Queensland.

This report presents the results of the second savings period of the Saver Plus pilot program that ran for approximately 15 months (October 2004 - December 2005) in four locations: Frankston (the Brotherhood of St Laurence), Shepparton (Berry Street Victoria), Campbelltown (The Benevolent Society) and South East Queensland (The Smith Family).

Saver Plus aims to not only help families on low incomes 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. The Saver Plus model is comprised of three elements: matched savings, financial education, and support through a Relationship Manager. The combination of these elements was shown to be critical to the success of the first savings period of Saver Plus (Russell, Brooks, Nair and Fredline, 2005) and also in similar programs in the USA (Schreiner, Clancy and Sherraden, 2002) and the UK (Kempson, McKay and Collard, 2005).

## 2.0 Background

### 2.1 Asset-based policies

Saver Plus is modelled on asset-building principles that are specifically designed to assist those on low incomes to accumulate savings and assets. Asset-based policies have been commonplace in developed countries for a long time. However, benefits arising from existing policies tend to favour the middle to high-income earners and exclude those in the lower income bracket. Examples in Australia of asset-based policies are: the First Home Owners Grant and tax incentives such as negative gearing and saving for superannuation. These asset-building programs assume the existence of financial inclusion; tax liability and employment (Boshara, 2001).

In 1991 Michael Sherraden (Center for Social Development, Washington University, St Louis) produced research that suggested that asset-building policies should be extended to all but also provide greater subsidies for the poor i.e. they should be universal and progressive (Sherraden, 1991, 2005). From his work, asset-based social policies grew in favour in the USA, Canada and now the UK as innovative welfare reform strategies to complement income support and welfare services provisions under existing social policies.

Asset-building policies are based on the principle that the accumulation of assets has a number of positive effects on individuals' lives and on the community in which they live (Lombe and Sherraden, 2005). Assets provide a sense of security for families, a buffer in times of financial hardship, and more importantly, provide individuals choice and opportunities. In the USA where asset-based social policies have been in place since the 1990s, there is growing evidence and agreement that higher levels of wealth and other assets are associated with better health and living conditions, higher levels of education, increased levels of economic household stability, higher levels of civic involvement, and greater intergenerational wealth transfers (Scanlon and Page-Adams, 2001; Lombe and Sherraden, 2005; Bynner, 2001; Paxton, 2001). However, the newness of these policies and their long-term focus call for continual and longitudinal research into asset-effects.

The implementation of asset-based policies will be of particular benefit to the future of today's children. The accumulation of assets is inherently a long-term process and if the habit of saving is embraced by the family, it will encourage a greater focus on the future and help alleviate intergenerational poverty (Sherraden, 2002). In Australia there is an alarming decrease in wealth held by younger people in society (Harding, King and Kelly, 2002), which will have severe consequences for their retirement and for the levels of intergenerational wealth. This decline is exacerbated by the current culture of consumerism, 'nowism', and high tolerance of debt particularly that induced by credit card misuse.

The widening gap between the rich and the poor is one of the drivers for the development of asset-based social policies. While this issue is well researched in regard to the developing world, the

research on inequality in the developed world has focused more upon income rather than assets. Currently in Australia, the top 20% of the population hold over 60% of the wealth (Kelly, 2002) while the bottom 20% hold none (Latham, 2002). Unfortunately, wealth inequality is predicted to rise over the next 30 years (Kelly, 2002). Taxation systems are supposed to address inequality by redistributing wealth from those who have more to those who have less. The widening gap in wealth inequality in Australia would suggest that taxation alone is no longer adequate and new ways of addressing the problem are needed.

### 2.2 Asset-building through matched savings programs

Asset-based social policies in the USA were successfully illustrated initially through Individual Development Accounts (IDAs). Conceptualised by Michael Sherraden, IDAs are matched savings programs that encourage low income people to save and build assets. Matched-savings programs are widespread in the USA and have also been implemented in other countries such as the UK (Saving Gateway) and Canada (Learn\$ave). These programs have all been evaluated and have demonstrated that given appropriate institutional frameworks, those on low incomes can succeed in saving and increase their financial capabilities (Schreiner, Clancy and Sherraden, 2002; Kempson, McKay and Collard, 2005).

The four institutional variables that have been found to be effective in encouraging saving and asset accumulation are:

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

Although the design of matched savings programs include these elements to varying degrees, there is great flexibility in the design features of the programs that are currently operating. The ratio of matched savings incentive feature varies from program to program; the financial education is not always compulsory; there are varying guidelines on what participants have to save for – from none to asset-building goals such as home ownership, small business, education or retirement. The next section outlines the design features of Saver Plus.

## 3.0 Saver Plus Savings Period 2

Following the success of the first savings period of Saver Plus (July 2003 – December 2004) that included 268 participants and three community partners (the Brotherhood of St Laurence, The Benevolent Society and Berry Street Victoria), the program was expanded to include an additional partner, The Smith Family who conducted the program in South East Queensland. In addition, the Frankston participants from the first savings period (who were still eligible under the Saver Plus rules) were given the opportunity to join the program for the second savings period but with a reduced matched rate of \$1:1. This provided a unique opportunity to assess the effect of a different matching rate and a longer savings period.

The objectives of the Saver Plus program are to:

1. Implement and refine a model to support and encourage the participants to establish a savings habit;
2. Assist the participants to achieve a savings target;
3. Increase the financial literacy skills of the participants;
4. Increase knowledge, specific to Australia, about asset building and share this knowledge via conferences, 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.

The Saver Plus model is comprised of three elements: matched savings, relationship management and financial education.

### 3.1 Matched savings

Participants who successfully met the conditions of the program were eligible to receive matched funds in accordance with their saving goal as set out in the Saver Plus Goal and Activity Agreement (see Appendix A). This goal was established at the beginning of the program but could be changed throughout the saving period. The matched savings ratio was \$2 for every \$1 saved\* up to a maximum of \$1000. For example, every participant had the opportunity to receive \$2000 to 'match' his or her \$1000 saved. Participants were able to save more than \$1000 over the course of the program but matching is capped at the

\$1000 balance. It should be noted that participants had access to their savings throughout the entire program. However, excessive withdrawals could prevent the participant receiving matched funds. Matched funds were claimed between 30 November 2005 and 28 February 2006.

### 3.2 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 education 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. The primary aim of the role is to offer support and coaching to the participants to assist them in achieving their savings goal. The Relationship Manager however is also responsible for ensuring adherence to the program rules.

### 3.3 Financial education

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 the future. The financial education program is a compulsory part of Saver Plus and aims to ensure that the participants have the opportunity to learn financial skills and knowledge that will assist them in continuing their savings efforts after the savings period has finished.

The education component was conducted by the Relationship Managers in small groups that allowed interaction from all participants, sharing ideas and strategies with the group. The program includes five modules of approximately two 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
- Useful and relevant information about the services offered by financial institutions and how best to utilise them.

### 3.4 Account structure

The product used for the Saver Plus program is the ANZ Progress Saver Account. The Progress Saver Account is a mainstream banking account allowing all participants the ability to maintain this account beyond the program and be part of the mainstream banking audience. This is an important element for the participants' ongoing success in saving. Participants are able to use e-banking or passbook facilities.

## 3.0 Saver Plus Savings Period 2

The account features include:

- Unlimited deposits (no fees for depositing)
- 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)\*
- No Internet banking fees

### 3.5 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 first savings period of Saver Plus included partnerships with Berry Street Victoria in Shepparton and The Benevolent Society in Campbelltown NSW. In 2004 The Smith Family joined as a partner and implemented Saver Plus in South East Queensland in 2005. 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 and increase financial literacy particularly within the low income earning population.

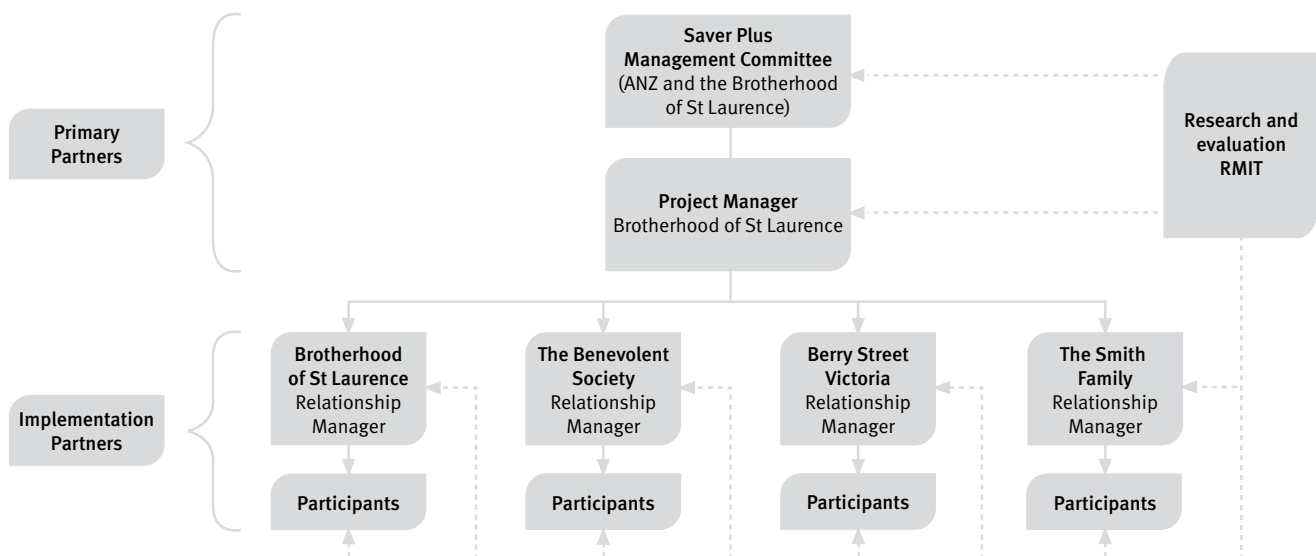
### ANZ

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, corporates and small businesses.

ANZ has over the past few years implemented value-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 perception, 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, national savings and debt levels, and access to the most suitable products and services. ANZ acknowledges that its efforts to address these issues will see a small number of genuine business and community partnerships being established. This approach is reflected in ANZ’s core values – in particular the goal to earn the trust of the community.

Figure 1: Saver Plus partnership structure



\* Interest earned was not eligible to be matched in the Saver Plus program.

## 3.0 Saver Plus Savings Period 2

Saver Plus is the first in a suite of Community Relations Programs that ANZ has chosen to support in partnership with community organisations. Other programs that are aimed specifically at increasing financial literacy in the community include MoneyMinded, a comprehensive adult financial education program and MoneyBusiness\*, an innovative program designed to build the money management skills and confidence of Indigenous people and their families, while at the same time establishing a stronger savings culture in Indigenous communities.

### 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.

### 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 the Society focused on helping the destitute and homeless in colonial Sydney. For nearly two centuries The Benevolent Society has been prepared to take the lead in pioneering many of the essential social services we have today. The Benevolent Society's purpose is to create caring and inclusive communities and a just society with a belief that building stronger communities is the best way to reduce social and economic disadvantage. The Benevolent Society has over 600 employees and 800 volunteers providing programs and services to children and families, women, older people and their carers. The organisation also has a strong focus on social innovation and has launched 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 with the AMP Foundation, Work Ventures and The Smith Family. Saver Plus, being an innovative program and designed to benefit families with a focus on inclusion, is closely aligned with the values of The Benevolent Society.

### The Smith Family

The Smith Family, a national, independent social enterprise was founded in 1922 by five men who saw the needs of their community and responded accordingly. The Smith Family supports children and families living in financial disadvantage to create a better future through education. Currently, The Smith Family has over 500 paid staff and 7000 volunteers throughout Australia. The organisation's strong focus on education led to the development of the Learning for Life program which has so far supported 40,000 children and young people in their education. Learning for Life offers financial scholarships to children of low income families and assists in the areas of reading, financial and computer literacy.

The Smith Family's history of helping through education ensured a natural affinity with the Saver Plus program and extends and complements the organisation's existing programs.

## 3.0 Saver Plus Savings Period 2

### 3.6 Management structure

The Saver Plus Management Team is comprised of the following:

ANZ: Head of 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 Saver Plus Policy and Practice Team is comprised of the following:

ANZ: Head of Community Relations (Saver Plus  
Project Co-ordinator)  
Manager, Community Relations

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

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

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

The Smith Family  
Program Manager - Financial Literacy  
Relationship Manager, Brisbane

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. The Saver Plus Management Team is responsible for partnership agreements, rules and conditions of the program.

### 3.7 Program processes: recruitment, sign-up and disbursement

#### Recruitment of participants

The participants were recruited through each of the community organisations by the Relationship Manager. A number of methods were employed with each site utilising the methods that worked best for them. Obviously with the program saving goal being to save for secondary student school expenses, the starting point for recruitment was through the local schools. Mostly, the school newsletter was the primary medium for communicating the notice about the program to parents. Due to this being the second savings period of Saver Plus (in three out of the four sites), word-of-mouth proved to be an effective recruitment tool. Parents who had been in the program in the previous phase had told others of their success prompting them to enquire about joining the second savings period.

In the recruitment period of the first savings period there was a large degree of scepticism and uncertainty around the program with the majority of the participants thinking such a program was 'too good to be true'. While there still remained an element of this in the second phase, the testimonials of past participants and a number of positive media reports during the first phase helped to dispel much of the uncertainty about Saver Plus.

#### 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 Progress Saver Account. Once the potential participants have attended an information session they contact the Relationship Manager for an appointment.

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

- Confirm applicant eligibility
- 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 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
- Have the participant complete the research questionnaire and sign the research consent form
- Collect the participant's account information.

#### Disbursement of funds

A total of \$688,579 of matched funds was disbursed across the sites. In Frankston a total of \$202,106 was paid in matched funds; \$228,654 in Shepparton; \$86,659 in Campbelltown and \$171,160 in Brisbane.

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. Disbursement took place between September 2005 and March 2006. While each site created their own procedure for issuing the matched funds to the participant, in general the process was as follows:

## 4.0 Evaluation of the Saver Plus Program

1. Participants would make an appointment to see the Relationship Manager.
2. The Relationship Manager in the meantime 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.

### 4.0 Evaluation of the Saver Plus Program

Evaluation of the program was conducted through RMIT University. The evaluation methods of the second savings period followed that of the first phase with minor changes to questionnaires as needed based upon experience and feedback acquired from the previous phase.

The evaluation addresses program objective numbers 2, 3 and 7 as outlined in section 3.0. 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 to take up and utilise.

### 4.1 Methodology

The evaluation employed a mix of quantitative and qualitative methods throughout the program, providing an analysis of pre and post-program data. The evaluation comprised the following steps:

1. Participants who agreed to participate in the research were required to complete a questionnaire at the time of joining the program. This questionnaire captured demographics, prior saving behaviour and savings goals.
2. Prior to undertaking the financial education component, the participants completed a second questionnaire to capture reported baseline data on their current levels of financial knowledge and money management skills.

3. During the program, usually after the participants had completed the financial education component, focus groups were conducted in each site to obtain the participants' thoughts and opinions about the program at an interim stage. In particular, discussions focused upon their perception of the concept of Saver Plus, the usefulness of the education program and the progress of their savings efforts.
4. In depth interviews were conducted with the Relationship Managers during the program to gather their thoughts on the program, what was working well and any elements of the program that needed to be improved.
5. At the completion of the program, the participants completed a final questionnaire which gave information on their success in achieving their goals in the program, their reported changes in knowledge and money management skills acquired during the program and plans for continued saving.
6. Approximately three months after the completion of the program, a second round of focus groups was conducted to obtain information from participants about their saving behaviour since finishing; their experience in the program; the effect the program has had on themselves and their families and their plans for saving in the future. At the time of the focus groups, the participants were requested to complete a brief questionnaire to allow for individual thoughts and opinions to be expressed.
7. Further in-depth interviews were conducted with the Relationship Managers at the completion of the program to gain their final perspectives of the program and recommendations for the future of Saver Plus.

## 5.0 Saver Plus Participants

### 5.0 Saver Plus Participants

The second phase of the Saver Plus pilot program started with 452 participants across four locations: Campbelltown (49), Shepparton (125), Brisbane (101) and Frankston (177), with all but 11 agreeing to participate in the research. The Frankston group included both the new participants (62) and those who continued from the first phase of the program (115)\*. At the end of the second savings period of the pilot, 408 participants successfully completed the program, with a total of 44 withdrawals. The following analysis includes data gathered from 399 participants who successfully completed the second savings period of the Saver Plus pilot program and agreed to take part in the research.

### 5.1 Eligibility criteria

The eligibility criteria to join Saver Plus were:

- Be a parent or guardian of a student who will be attending secondary school in 2006
- Have children attending government schools in the Saver Plus pilot program areas
- Have a current Health Care Card or Pension Card
- Have a regular income from paid employment
- Be able to demonstrate a capacity to save.

#### 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. Table 1 sets out the income limits required to obtain a Health Care Card\*\*.

### 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 2006. The program is designed to help families on low incomes 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 difficulties meeting educational costs particularly at the transition point of entering year 7 or senior school.

### 5.2 Conditions of the program

The participants of the program were required to:

- Identify and work toward an education-related savings goal (set out in the Saver Plus Goal and Activity Agreement – see Appendix A)
- Complete the financial education component of Saver Plus
- Open an ANZ Progress Saver Account
- Make regular and consistent deposits into the Progress Saver Account over the savings period (from date of joining until 31 December 2005. A saving schedule is also set out in the Saver Plus Goal and Activity Agreement).

**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)

\* This group was analysed separately. Please refer to Section 11.0.  
 \*\* New income limits came into effect 1 July 2006.

## 5.0 Saver Plus Participants

### 5.3 Demographics

In terms of the new participants (i.e. excluding the continuing participants from Frankston), the demographic characteristics are mostly uniform across the four locations and consistent with the findings from the first phase of the program. As shown in Table 2, the majority of the participants were once again female (93.6%) and aged between 30 and 50 years (90.4%). The average age was around 42 years with no significant differences across the four sites.

Again we find that Shepparton participants were significantly more likely to be living as a couple with children, while those from Frankston were most likely to be sole parents. The number of dependent children for all participants ranged from 1 to 8 with the average being 2.5. This is also consistent with the findings from the first phase of the program. However, this time there was significant variation across the locations. As shown in Table 2, on average participants from Shepparton have more dependent children than participants from other locations, Frankston in particular. On the other hand, the average age of dependent children was nearly 12 years and this was fairly consistent across the locations. In terms of the age of the youngest child, overall this ranged from 6 months to 18 years with the average being just

below 10 years. Table 2 shows that, on average, the children of Shepparton participants were significantly younger than those of participants from the other 3 locations.

In terms of the main language spoken at home, the majority (94.6%) of the participants spoke English or English plus another language, while a small proportion of participants from Shepparton and Brisbane mainly spoke a language other than English at home. As shown in Table 3, there are significant differences across locations with the participants from Shepparton being more likely to speak a language other than English than any other group. This is not surprising given the presence of 34 Iraqi participants at this location. For more information on this group, please refer to section 12.0. Consistent with the findings from Phase 1 of the program, a small percentage of 2.14% identified themselves as being Indigenous Australians or Torres Strait Islanders.

Overall, the participants held a range of education levels with the highest proportion partially completing school and holding a TAFE or other qualification. This is consistent with findings of educational attainment from the first phase of the program.

**Table 2: Demographic characteristics of participants**

Variables		Campbelltown	Shepparton	Brisbane	Frankston	Entire Sample
Age $\chi^2_{(12)} = 11.89, p>0.05$	20-29	0	0	0.01%	0	0.36%
	30-39	41.30%	35.96%	31.76%	27.87%	33.81%
	40-49	45.65%	56.18%	57.65%	63.93%	56.58%
	50-59	13.04%	5.62%	9.41%	8.20%	8.54%
	60-69	0	2.25%	0	0	0.71%
Average age $F_{(3,277)} = 0.415, p>0.05$		41.2	41.3	41.5	42.3	41.6
Gender $\chi^2_{(3)} = 2.41, p>0.05$	Male	2.17%	8.99%	5.88%	6.56%	6.41%
	Female	97.83%	91.01%	94.12%	93.44%	93.59%
Family Type $\chi^2_{(6)} = 39.32, p<0.05$	Sole parent	67.44%	41.57%	80.49%	81.97%	66.18%
	Couple	32.56%	57.30%	19.51%	18.03%	33.45%
	Grandparent	0	1.12%	0	0	0.36%
Average number of dependent children $F_{(3,276)} = 3.965, p<0.05$		2.3	2.8	2.6	2.1	2.5
Average age of dependent children $F_{(3,269)} = 1.476, p>0.05$		12.0	11.6	12.3	11.8	11.9
Average age of youngest child $F_{(3,269)} = 3.179, p<0.05$		9.9	8.6	10.1	10.0	9.6

## 5.0 Saver Plus Participants

**Table 3: Language, ethnicity and education levels**

		Campbelltown	Shepparton	Brisbane	Frankston	Entire Sample
Main language spoken at home $\chi^2_{(6)} = 22.28, p < 0.05$	English	100.00%	86.05%	96.47%	98.33%	94.20%
	English + Other	0	0	0	1.67%	0.36%
	Other	0	13.95%	3.53%	0	5.43%
Country of birth $\chi^2_{(3)} = 7.266, p > 0.05^{**}$	Australia	84.78%	80.90%	69.41%	85.25%	79.00%
	Other	15.22%	19.10%	30.59%	14.75%	21.00%
% of Indigenous Australians or Torres Strait Islanders		4.35%	0.00%	3.53%	1.64%	2.14%
Education levels $\chi^2_{(12)} = 12.73, p > 0.05$	Part school	18.92%	31.58%	17.11%	17.65%	22.08%
	Part school + TAFE/Other qualification	54.05%	38.16%	44.74%	45.10%	44.17%
	Completed school	8.11%	10.53%	5.26%	3.92%	7.08%
	Completed school + TAFE/Other qualification	10.81%	13.16%	21.05%	21.57%	17.08%
	University	8.11%	6.58%	11.84%	11.76%	9.58%

As shown in Table 4, the most common type of employment held by the participants is part-time at 41%, closely followed by that of casual employment at 38%. Same as in the first phase, we again find that the participants from Shepparton and/or their partners were significantly more likely to be in full-time employment than any other group. The participants from Frankston were most commonly employed part-time. However, in contrast with the results from Phase 1, government benefits, such as the parenting payment made up most of the weekly income for over 56% of participants. This is different from the previous phase, where nearly 67% of participants derived most of their weekly income from paid employment and only 33% relied on other income sources.

The average monthly income (after tax) was found to be \$2,859 and fairly uniform across the four locations. The final row of Table 4 reports the average weekly equivalised household income across locations using the equivalence scales adopted by the Australian Bureau of Statistics (ABS, 2005) in its analysis of household incomes. These scales weight the first adult in the household as 1, subsequent adults as 0.5, children over 15 as 0.5, and children under 15 as 0.3. Further details on the calculation of equivalence scales are provided in Appendix B. On an equivalised income basis Frankston shows the highest household weekly income, while Brisbane shows the lowest household weekly income.

\*\* Almost significant at 5% (p-value = 0.064).

## 5.0 Saver Plus Participants

Table 4: Employment and income figures

		Campbelltown	Shepparton	Brisbane	Frankston	Entire Sample
Employment status $\chi^2_{(9)} = 26.84$ , $p < 0.05$	Full time	13.04%	18.18%	7.14%	6.56%	11.47%
	Part time	34.78%	34.09%	35.71%	62.30%	40.86%
	Casual	41.30%	31.82%	50.00%	26.23%	37.63%
	Not employed (partner working)	10.87%	15.91%	7.14%	4.92%	10.04%
Partner's employment Status $\chi^2_{(9)} = 38.53$ , $p < 0.05$	Full time	18.18%	28.09%	8.43%	6.56%	15.88%
	Part time	4.55%	5.62%	2.41%	1.64%	3.61%
	Casual	4.55%	7.87%	3.61%	3.28%	5.05%
	N/A – Sole parent	65.91%	41.57%	79.52%	81.97%	65.70%
	Not stated	6.82%	16.85%	6.02%	6.56%	9.75%
Sources of household income $\chi^2_{(3)} = 1.87$ , $p > 0.05$	Paid employment (either own or partner's)	47.83%	45.88%	37.65%	45.90%	43.68%
	Government benefits (eg. Parenting payment)	52.17%	54.12%	62.35%	54.10%	56.32%
Average monthly family income (after tax) $F_{(3,274)} = 1.343$ , $p > 0.05$ Average equivalised disposable income $F_{(3,259)} = 4.728$ , $p < 0.05$		\$2947.32	\$2960.04	\$2716.02	\$2848.76	\$2859.35
		\$359.01 <sup>c</sup>	\$323.28 <sup>d</sup>	\$319.66 <sup>d</sup>	\$371.55 <sup>c</sup>	\$338.29

\* Superscript c denotes statistically significantly different from Brisbane.  
Superscript d denotes statistically significantly different from Frankston.

### 5.4 Comparison to national average

According to the Australian Bureau of Statistics (ABS, 2005), the mean (median) disposable equivalised weekly income for all Australian households in 2003-2004 was \$549 (with the median being \$491). For couples with children the corresponding figures are \$549 (with the median being \$502), while for single parents with children the corresponding figures are \$391 (with the median being \$336). These results are reported in Table 5. In contrast to the findings from Phase 1 of Saver Plus and the national benchmark data we find that single parent families have higher average equivalised income levels than couples. Further, we also find that a larger proportion of households participating in Phase 2 of Saver Plus lie below the national mean equivalised income, particularly so for the couple households who participated.

The other reference point for comparison of the income data of the Saver Plus participants is the Henderson Poverty Line data calculated by the Melbourne Institute of Applied Economic and Social Research. The source of the Poverty Line is the latest edition of the Melbourne Institute of Applied Economic and Social Research (2006) quarterly publication *Poverty Lines: Australia*. Comparable with the findings of Phase 1 of the Saver Plus analysis we also find that a greater proportion of the couple households have incomes that lie below the poverty line (see Table 6). However, the group with the highest proportion of households with incomes below the poverty line is single parents with four children. In general, a greater proportion of the households (of all types) in Phase 2 have lower income levels (as compared to available national benchmarks) than the households in Phase 1.

## 5.0 Saver Plus Participants

**Table 5: Comparison of Saver Plus participants with average weekly Australian incomes**

	National data		Saver Plus participant data			
	Mean	Median	Mean	Median	% below national mean	% below national median
Single parent with children	\$391	\$336	\$360.26	\$351.29	69.00%	44.90%
Couple with children	\$549	\$502	\$295.35	\$300.00	98.90%	97.80%

**Table 6: Comparison of Saver Plus participants below the poverty line**

	Participant mean income	Poverty Line	% of participants below Poverty Line
Couple, 1 child	\$515.96	\$528.94	50.00%
Couple, 2 children	\$674.34	\$617.84	25.00%
Couple, 3 children	\$780.73	\$706.75	40.90%
Couple, 4 children	\$793.63	\$795.66	46.70%
Single parent, 1 child	\$533.49	\$422.30	19.60%
Single parent, 2 children	\$616.63	\$511.14	25.40%
Single parent, 3 children	\$659.12	\$600.05	25.00%
Single parent, 4 children	\$713.69	\$688.96	53.90%

## 5.0 Saver Plus Participants

### 5.5 Motivations for joining Saver Plus

Similar to the first savings period, the majority (80%) of participants stated that their main motivation for joining the program was the opportunity to get matched savings. A smaller proportion indicated that they were motivated by the opportunity to learn how to save and also by the opportunity to get financial training and support (see Table 7).

As can be seen from Table 8, several individuals stated that they were motivated by the combination of all or some of these components of the Saver Plus program.

**Table 7: Main motivation to join the program**

	n	%
The opportunity to get matched funds	203	80.24%
The opportunity to get financial literacy training	10	3.95%
The support and counselling from the Relationship Manager	2	0.79%
To learn how to save	31	12.25%
Other	7	2.77%
Total	253	100

**Table 8: Other reasons for joining Saver Plus**

“To enhance my child’s education opportunities.”
“Make me save for high school entry of eldest child.”
“To get matched funds and learn to save.”
“The opportunity for financial assistance.”
“To help me get a computer for my children.”

## 6.0 Savings and Money Management Behaviour Prior to Saver Plus

As part of the survey completed prior to commencing the Saver Plus program, the participants were asked about their past saving patterns. The vast majority indicated that they have been saving in the past, either regularly (39%) or sometimes (47%), whereas a small proportion of 14% indicated that they do not save anything. The proportion of ‘regular savers’ is comparable to that from the previous phase, however in the second phase there is a higher incidence of those who reported that they sometimes save and a smaller percentage of those who stated that they do not save

anything. The test of significance across locations indicates that the proportion of regular savers is significantly higher for the Shepparton group than for the other three groups, Brisbane in particular. As shown in Table 9, around 52% of Shepparton participants indicated that they save regularly with only 8% reporting that they do not save anything, whereas nearly 22% of Brisbane participants stated that they do not save anything.

**Table 9: Saving patterns and use of credit prior to commencement**

		Campbelltown	Shepparton	Brisbane	Frankston	Entire Sample
Prior savings Pattern $\chi^2_{(8)} = 15.8$ , $p < 0.05$	Save something from each pay	44.44%	51.72%	27.71%	32.20%	39.05%
	Sometimes save but not regularly	40.00%	40.23%	50.60%	55.93%	46.72%
	Don't save anything	15.56%	8.05%	21.69%	11.86%	14.23%
Prior savings Level	Less than \$50	26.09%	24.72%	29.41%	14.75%	24.20%
	\$50 - \$199	17.39%	20.22%	23.53%	37.70%	24.56%
	\$200 - \$599	17.39%	15.73%	23.53%	21.31%	19.57%
	\$600 - \$999	10.87%	14.61%	4.71%	11.48%	10.32%
	\$1000 - \$2999	8.70%	16.85%	12.94%	9.84%	12.81%
	\$3000 - \$4999	8.70%	2.25%	4.71%	3.28%	4.27%
	\$5000 or more	10.87%	5.62%	1.18%	1.64%	4.27%
Estimated average savings level $F_{(3,277)} = 2.67$ , $p < 0.05$		\$1,249.68	\$918.75	\$674.06	\$637.29	\$837.81
Use of credit	Credit card	52.17%	59.55%	44.71%	62.30%	54.45%
	Store credit	15.22%	23.60%	10.59%	6.56%	14.59%
	Pay day lenders	0	3.37%	2.35%	0	1.78%
	Pawn brokers	2.17%	2.25%	2.35%	0	1.78%
	Borrowing from family or friends	23.91%	15.73%	31.76%	24.59%	23.84%
	Personal bank loan	10.87%	15.73%	4.71%	11.48%	10.68%
Current debt	Credit card (not including charges still in the interest-free period)	34.80%	37.10%	42.40%	39.30%	38.80%
	Store credit	15.22%	13.48%	12.94%	4.92%	11.74%
	Pay day lenders	0	1.12%	2.35%	0	1.07%
	Pawn brokers	2.17%	2.25%	0	0	1.07%
	Borrowing from family or friends	10.87%	11.24%	2.35%	8.20%	7.83%
	Personal bank loan	15.22%	20.22%	22.35%	13.11%	18.51%
	Home mortgage	34.78%	38.20%	20.00%	42.62%	33.10%
	HECS	2.17%	3.37%	4.71%	4.92%	3.91%
Description of situation $\chi^2_{(9)} = 7.77$ , $p > 0.05$	I haven't got enough money to pay the bills	2.22%	1.12%	7.06%	1.64%	3.21%
	I have just enough to get by on	22.22%	22.47%	25.88%	19.67%	22.86%
	I have just enough to get by on, with a few extras	44.44%	47.19%	44.71%	49.18%	46.43%
	I am able to save money which I don't have to spend	31.11%	29.21%	22.35%	29.51%	27.50%

## 6.0 Savings and Money Management Behaviour Prior to Saver Plus

When asked about their current savings level (prior to commencing the Saver Plus program), 68% of participants indicated that they have up to \$600 in savings, with the modal savings level being \$50-\$199. Around 21% stated that they have over \$1,000 in savings. Using the mid-point of each saving category (and \$5,000 for the top category), a conservative estimate of the average savings level was constructed for each location and the sample overall. Table 9 shows that, consistent with the findings from the previous phase, on average Campbelltown participants once again had the highest level of prior saving. The lowest level of prior saving was for the second time associated with Frankston participants, closely followed by those from Brisbane.

Participants were also asked about their use of credit in the past 12 months, as well as about their current sources of debt. Around 20% of participants stated that they had not used credit in the 12 months prior to their commencing the program. The most commonly used source of credit was credit cards, followed by

borrowing from family and friends. A very small proportion utilised payday lenders (1.8%) and/or pawn brokers (1.8%). When asked about their current sources of debt, the most commonly nominated sources were credit cards (39%) and home mortgage (33%), while 23% of participants stated that they had no debt. The majority of the results are uniform across the locations except for the Brisbane group having a significantly smaller proportion of mortgages and the Shepparton group being most likely to have used store credit in the 12 months prior to Saver Plus.

The last section of Table 9 summarises the individual responses to the question where the respondents were asked to select from a list a statement which best described their pre-Saver Plus situation. Approximately 46% selected “I have just enough to get on by, with a few extras”, while just over 27% felt that their situation is best described by “I am able to save money which I don’t have to spend”. The findings are once again comparable to those from Phase 1 of the program.

**Table 10: Past saving and spending behaviour**

	%
Tried to save on a regular basis when I could	52.79%
Saved only when wanted something big or special	25.28%
No point in trying to save, not enough money	19.33%
Saving is not something I thought was important	2.60%
	<b>% Agree</b>
I spend all of my income as I get it	27.51%
I feel out of control with my borrowing and credit generally	13.43%
If I had a major loss of income I could manage for a period of time	64.44%
I have problems setting money aside for major financial outlays	40.52%
I have worked out how much I will need to save for my retirement	7.43%
I have a long-term financial plan	15.24%

## 6.0 Savings and Money Management Behaviour Prior to Saver Plus

Prior to the commencement of the financial training, the participants were asked about their saving behaviour and general attitudes toward saving and spending. As shown in Table 10, nearly 53% stated that they had tried to save on a regular basis when they could and 25% saved only when they wanted something special. Compared to the 27% and 4.4% from Phase 1, this time there were smaller proportions of those who felt that there was no point in trying to save (19%) or thought that saving is not important (2.6%), respectively. In terms of spending, nearly 28% of participants reported that they spend all their income as they get it and 13% generally felt out of control with their borrowing and credit. The majority (64%) believed that they could manage if they encountered a major loss of income, although 41% admitted that they have problems setting money aside for major financial outlays. Consistent with the previous phase results, only a small percentage indicated that they had worked out how much they need for retirement and that they have a long-term financial plan.

As shown in Table 11, just over 45% of participants stated that they had a specific savings goal in the past five years. When asked what they were saving for, the most common response was a holiday at nearly 29%, followed by home improvements (16%) and a car (15.3%). Only about 12% stated that they were saving for education related items/needs. This is contrary to findings in Harris, Loundes and Webster (2002) who find education to be the most frequent savings goal (40%) in households with children. Our proportion is however, more comparable to their finding regarding 9% of low income households who save for education. This result does show the importance of encouraging the participants to save towards their children’s educational requirements.

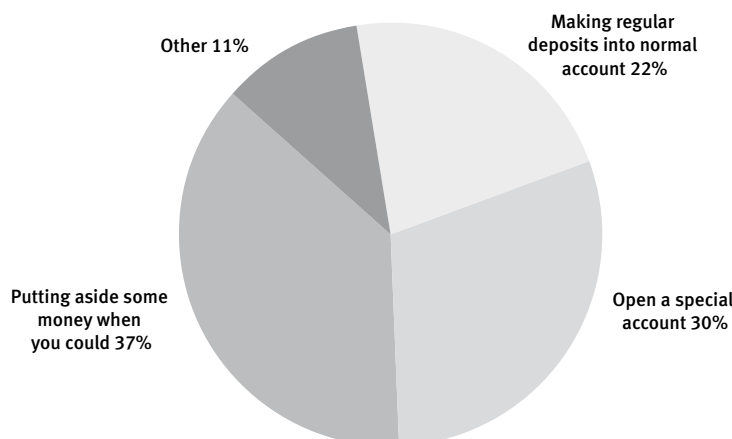
Out of those 45% who had a specific goal in the past five years, 89% were successful in achieving it. The most common strategy used to meet the goal was putting money aside when possible (37%), closely followed by opening a special account (30%).

Table 11: Past savings goals

	%
Had a specific goal in the past five years	45.20%
Specific goals*	
Holiday	28.80%
Home improvement (including renovations and new goods/furniture)	16.10%
Car	15.30%
House/Land	11.90%
Education	11.90%
Christmas	10.20%
Debt repayments	9.30%
Succeeded in meeting the goal	89.00%

\* Open-ended question – respondents specified multiple goals.

Figure 2: Strategies used to meet the goal



## 6.0 Savings and Money Management Behaviour Prior to Saver Plus

### 6.1 Money Management and financial behaviour prior to Saver Plus

As stated earlier, prior to the commencement of their financial training, participants were asked to complete a questionnaire that was primarily designed to evaluate their money management skills and levels of financial literacy. Table 12 summarises the responses to questions regarding basic financial behaviour and knowledge. As can be seen, nearly 98% of participants in Phase 2 were involved in household money management either solely or jointly with their partner. For most of the participants (70%), income was mostly stable with a smaller proportion of 30% reporting that their income mostly fluctuates. A total of 78% of participants always read their payslip and understand its content very well, whereas only 1% of participants reported that they do not understand the information in the payslips either much or at all.

Participants were also asked about their use of various payment methods. As shown in Table 13, the most commonly used payment method was cash with around 53% and 36% of

participants using it often or always, respectively. The second most frequently used transaction type was EFTPOS, closely followed by the use of ATMs. Same as in the previous phase, the three least commonly used payment methods were cheques, money orders and store cards. Furthermore, the majority reported that they never use Bpay (51%), debit cards (55%) or Internet banking (68%).

When asked about their use of financial products, 96% of participants indicated that they hold an ordinary bank account either solely, jointly with their partner or both. The majority also had vehicle insurance (85%), superannuation (76%) and house and contents insurance (73%). Smaller proportions reported having a home mortgage (41%) and a personal loan (30%). Consistent with the results from the first phase of the program, a very small number indicated that they used investment type products such as shares, term deposits, managed investments or property.

**Table 12: Basic financial behaviour**

		%
Responsibility for household money management	Yourself	84.85%
	Your partner	2.27%
	You and your partner jointly	12.88%
Income stability	Mostly constant	69.96%
	Mostly fluctuates	30.04%
Do you read your payslip?	Always	78.00%
	Sometimes	20.50%
	Never	1.50%
Do you understand your payslip?	Very well	78.00%
	Some of it	21.00%
	Not much	0.50%
	Not any	0.50%

**Table 13: Transaction types used**

Payment method	Never use	Hardly ever use	Use often	Use always	Mean
Cash	0.75%	10.82%	52.61%	35.82%	3.24
EFTPOS	11.67%	19.84%	49.42%	19.07%	2.76
ATMs	15.60%	23.60%	43.20%	17.60%	2.63
Direct debit	23.35%	22.57%	43.58%	10.51%	2.41
Layby	24.90%	37.55%	28.46%	9.09%	2.22
Credit cards	40.24%	25.50%	25.90%	8.37%	2.02
Bpay	50.79%	11.90%	25.40%	11.90%	1.98
Telephone banking	49.80%	14.34%	25.10%	10.76%	1.97
Debit cards	54.66%	12.15%	23.89%	9.31%	1.88
Loans	48.16%	35.51%	12.24%	4.08%	1.72
Internet banking	68.15%	4.84%	15.73%	11.29%	1.7
Cheques	61.38%	26.02%	11.38%	1.22%	1.52
Money orders	60.49%	34.98%	2.88%	1.65%	1.46
Store cards	77.14%	18.37%	3.27%	1.22%	1.29

## 6.0 Savings and Money Management Behaviour Prior to Saver Plus

In terms of general money management, 17% reported that they shop around for financial products ‘a lot’ and 28% stated that they shop around ‘a fair bit’. Most commonly however, the participants recorded that they only shop around ‘a little bit’ when it comes to selecting financial products. On the other hand, 16% do not shop around at all, although this proportion is considerably smaller than that of 28% from the first phase.

The majority indicated that they read and understand their bank statements (28%) or that they check them against their own records (38%). Around 30% of participants only check the balance but still file the statement, with only a small proportion disregarding the statement completely. Most of the participants reported that they closely watch their expenditure although without keeping the written records. Only about 3% indicated that they do not monitor their expenses at all.

When asked about their attitude toward financial planning, the overwhelming majority either agreed or strongly agreed that it is important to have a short-term and a life-long financial plan. As shown in Table 16, around 10% believed that the government would take care of their retirement. The majority reported feeling stressed when faced with uncertainty about the future and 26% felt that the statement “I like to live day-to-day, tomorrow takes care of itself” best describes their attitude to life. A small proportion indicated that they believe that there is no use in having a plan since things change anyway.

The majority of participants reported that they would go to family (74%), Centrelink (61%) or a bank/financial institution (54%) if they had a sudden loss of income or unexpected difficulty. Asking friends for assistance was the least likely option with nearly 70% indicating that they would not be likely to do so if faced with unexpected difficulties.

**Table 14: Financial products used**

	Solely	Jointly	Both	Do not have
Ordinary bank account with a bank, building society or credit union	72.01%	15.67%	8.21%	4.10%
Vehicle insurance	60.07%	20.52%	4.10%	15.30%
Superannuation	68.28%	2.61%	5.22%	23.88%
House or contents insurance	45.90%	23.51%	3.36%	27.24%
A home mortgage	19.40%	19.78%	1.87%	58.96%
A personal loan	22.39%	6.72%	0.75%	70.15%
Private health insurance	8.21%	9.33%	0.75%	81.72%
Shares	12.69%	3.73%	1.49%	82.09%
Managed investments other than superannuation	11.19%	2.61%	1.49%	84.70%
A lease or hire purchase agreement	5.22%	5.22%	1.12%	88.43%
Term deposits	8.21%	1.87%	0.37%	89.55%
An investment property	1.49%	2.99%	0.37%	95.15%

**Table 15: General money management**

		%
Do you shop around for financial products?	A lot	16.73%
	A fair bit	27.88%
	A little bit	39.03%
	Not at all	16.36%
When you receive your bank account statements, what do you do?	Read and understand the information completely	27.88%
	Check the statements against your own records	37.92%
	Check the balance and file the statement	29.74%
	Disregard the statement	4.46%
How closely do you monitor your expenses?	I don't keep an eye on expenses at all	3.33%
	I keep my eye on expenses a bit	16.67%
	Without keeping written records I keep a fairly close eye	54.44%
	I use written records to keep a close eye on expenses	25.56%

## 6.0 Savings and Money Management Behaviour Prior to Saver Plus

Table 16: 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	2.65%	3.03%	52.65%	41.67%	3.33
	It is important to have a life-long financial plan	1.50%	3.76%	58.27%	36.47%	3.30
	I don't have to worry about planning for retirement because the government will take care of it	45.59%	44.06%	8.81%	1.53%	1.66
					% Agree	
Attitudes toward planning for the future	I like to live day to day, tomorrow takes care of itself					26.21%
	Uncertainty about the future makes me feel stressed					67.74%
	No use having a plan because things always change					6.05%
		Very unlikely	Unlikely	Likely	Very likely	Mean
Who would you go to if you had a sudden loss of income or unexpected difficulty?	Family	17.20%	9.20%	34.00%	39.60%	2.96
	Centrelink	21.34%	18.18%	39.92%	20.55%	2.60
	Bank/financial institution	29.96%	16.46%	38.82%	14.77%	2.38
	Financial advisor	44.30%	23.68%	24.56%	7.46%	1.95
	Friends	48.52%	20.25%	22.36%	8.86%	1.92
	Church or welfare agency	40.43%	25.96%	22.55%	11.06%	2.04
					%	
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					17.05%
	Make an appointment with the bank to discuss fees					53.49%
	Just accept the fees, no use arguing					13.18%
	Change bank accounts					16.28%
					%	
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					39.04%
	Convenient, as long as it doesn't cost you interest					52.59%
	A good way to have something now, even if it costs interest					7.97%
	Other					0.40%
					%	
Which of the following describes your responsibility for debt if you as primary card holder authorise a second card holder?	Not responsible for any debt other person incurred-they are					10.15%
	You and other person each responsible for half of total debt					6.77%
	You are responsible for debt only if other person under 18					9.02%
	You are entirely responsible for debt by person on your card					63.16%
	Not sure					10.90%

## 6.0 Savings and Money Management Behaviour Prior to Saver Plus

Over 70% of participants would take action if they realised that the bank was charging them unexplained fees, either by making a complaint against the bank (17%) or making an appointment with the bank to discuss the matter (54%). About 13% would just accept the fees and 16% would change bank accounts. Over half of the participants (53%) perceived credit cards as convenient as long as they do not cost interest, while 39% had a less positive view and felt that using a credit card to purchase a birthday present was just too likely to get them into debt. A small proportion (8%) indicated that they would go ahead with the purchase even if it did cost interest. The majority of 63% of participants correctly identified the level of personal liability as a primary cardholder for the debt incurred by the second cardholder.

Participants were also asked to rate their knowledge of the fees and charges associated with various financial products and transaction methods on a scale from 1 (not at all well) to 7 (very well). The summary of the responses is shown in Table 17. On average, the highest score was recorded for the knowledge of fees and charges associated with using their own bank's ATM, whereas

the lowest overall rating was observed for superannuation. Furthermore, over half of the participants stated that they had no knowledge of fees and charges associated with Internet banking, while less than 10% were unfamiliar with fees and charges of bank accounts.

Using factor analysis\* we found that the participants' responses on this set of questions were driven by four well defined, underlying factors of financial literacy. The first factor, 'day-to-day banking', relates to knowledge regarding fees and charges of everyday banking facilities and products. Those individuals who are familiar with these day-to-day banking facilities and products reported a high level of knowledge of fees and charges associated with their own bank's ATM, bank accounts and EFTPOS. The second factor, 'convenience banking' is associated with the more technologically advanced payment methods and banking facilities, namely BPay, Internet and telephone banking. The third factor, 'investment and credit' captures knowledge about loans, mortgages and superannuation, whereas the last one is associated with familiarity with fees and charges of store, credit and debit cards. Knowledge ratings for these four factors were constructed by summing the individual responses across their respective components.

**Table 17: Knowledge of fees and charges**

	Mean score	% Not at all
Own bank's ATM	4.80	11.11%
Bank accounts	4.60	9.33%
EFTPOS	4.52	14.79%
Credit cards	4.38	17.32%
Loans	3.52	33.73%
Debit card	3.46	37.30%
Mortgage	3.43	40.65%
Telephone banking	3.17	41.96%
Bpay	3.13	44.35%
Store cards	2.98	47.52%
Internet banking	2.75	54.03%
Superannuation	2.68	44.49%

**Table 18: Financial literacy**

	Campbelltown	Shepparton	Brisbane	Frankston	Entire sample
Day-to-day banking	13.76	14.00	14.24	13.98	14.03
Convenience banking	8.59	8.43	9.71	8.75	8.90
Investment and credit	9.51	10.38	8.81	9.33	9.56
Cards	9.55	10.77	10.32	11.49	10.59

\* For more information on this method, please refer to the Appendix C.

## 6.0 Savings and Money Management Behaviour Prior to Saver Plus

As shown in Table 18, overall the participants have the lowest level of financial literacy regarding ‘convenience banking’ facilities and products, closely followed by those of investment and credit and cards. Not surprisingly, the highest knowledge rating was recorded for day-to-day banking. As can be seen this pattern is fairly consistent across the locations with One-way ANOVA confirming that there are no significant differences across the four participant groups.

### 6.2 Differences across sites

The following factors were found to be significant across locations:

- Shepparton participants were more likely to be jointly responsible for the household money management and also more likely to hold an ordinary bank account, vehicle insurance and a home mortgage jointly with their partner. This is not surprising given that this group has a significantly higher proportion of couples than the groups at the other three sites. The participants from Shepparton were also significantly more likely to report that they feel stressed when faced with uncertainty about the future. A high proportion of residents in Shepparton are farmers and with the persistent drought conditions faced by rural populations, this group would experience higher levels of uncertainty about the future than urban residents.

- Frankston, due to the high number of sole parents, had a significantly higher proportion of individuals who had sole superannuation, home mortgage and house and contents insurance. This group was also found to be significantly more likely to describe their approach to life as living day-to-day.
- Campbelltown participants were more likely to have joint private health insurance and predominantly felt that there is no use in planning since things change anyway.
- In terms of payment methods, the Shepparton group had a significantly higher percentage of individuals who use loans (often or always), but was least likely to use telephone banking and Internet banking. Campbelltown participants were most likely to use cheques relative to the other groups, Brisbane in particular. On the other hand, Brisbane had a higher incidence of those who use Internet banking often or always.
- If faced with unexpected difficulties, the Frankston group was significantly more likely to turn to family members than the other three groups and least likely to go to Centrelink. Shepparton participants however, were found to have a lower aversion to banks and financial situations with a significant proportion stating that they would go to a financial advisor or a bank/financial institution if they were experiencing financial difficulties. Brisbane participants, on the other hand, were significantly more likely to go to a church or a welfare agency in such circumstances.
- The Shepparton group had the highest percentage of individuals who, if they were being charged unexplained fees, would be comfortable to discuss this with the bank. The participants from this group were also least likely to change bank accounts if faced with unexplained fees.

## 7.0 Saving During Saver Plus

### 7.1 Items saved for

Participants were, as in the first savings period, directed to save for an education-related product or service. In the focus groups, participants were asked how they felt about education as an appropriate savings goal and all participants were happy for this

to be the case. School expenses have been a recurrent stressor in many of the participants' lives and to have the beginning of the school year expenses taken care of, proved to be of great relief to the participants (see Section 10.0 for further details). Participants were requested when they first joined the program to nominate a product or service that they wished to save for.

**Table 19: Items being saved for**

	Count	% Responses	% Respondents
Computer equipment and accessories	165	40.15%	63.46%
General educational costs (not specified)	76	18.49%	29.23%
Uniforms	51	12.41%	19.62%
Books	54	13.14%	20.77%
Camps and school trips	29	7.06%	11.15%
Extra curricular activities	16	3.89%	6.15%
Sport	10	2.43%	3.85%
Tutoring	10	2.43%	3.85%

**Table 20: Items purchased**

Items Purchased	Shepparton	Frankston (New)	Campbelltown	Brisbane	Total
Bags/backpacks	32	8	3	15	58
Books	93	43	0	12	148
A bull	0	0	1	0	1
Calculator	3	3	0	3	9
Computer accessories	48	6	15	59	128
Computers and laptops	75	31	37	54	197
Courses (first aid, umpiring, deportment)	0	0	0	3	3
Furniture	16	9	3	10	38
Internet subscription	2	1	3	6	12
Music lessons	10	2	1	0	13
Musical instruments	7	2	4	2	15
Other equipment (art/drama)	10	1	0	2	13
Other equipment (ballet)	4	0	1	1	6
Other equipment (camera)	22	0	2	5	29
Overseas camp or exchange program	0	1	0	1	2
School camp	31	16	0	12	59
School photos	4	4	0	2	10
Shoes	54	28	5	16	103
Sport (extra curriculum)	9	10	0	0	19
Sports equipment	3	7	0	2	12
Stationery	54	27	18	35	134
Subject costs (includes extra curriculum subjects)	0	32	1	11	44
Swimming lessons	0	0	2	0	2
TAFE fees / VET	0	5	0	0	5
Textbook/Resource Hire Scheme	0	0	0	13	13
Transport	0	1	1	0	2
Tuition	3	0	2	4	9
Uniform (school)	108	52	16	58	234
Uniform (sport)	19	2	2	8	31
Varied school costs, including VET (books, camps, excursions, stationery etc.)	28	35	10	0	73
<b>Total</b>	<b>635</b>	<b>326</b>	<b>127</b>	<b>334</b>	<b>1422</b>

## 7.0 Saving During Saver Plus

Once again, computer related equipment and accessories were the most frequently saved for items, followed by the general educational costs and books.

### 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 (although in NSW books are provided by the state school system so there were no books purchased by the Campbelltown participants) and school uniforms.

### 7.3 Meeting the savings goal – All participants

As shown in Figure 3, approximately 95% of all participants met or exceeded their savings goal. Nearly 60% of all participants reached their target amounts and a further 36% exceeded their savings goal. Only about 6% did not quite achieve their

goal, predominantly due to unexpected expenses and financial difficulties. More information on this is offered in Sections 7.4 and 11.6 for both the new participants and the Frankston continuing group, respectively.

### 7.4 The savings goals

The initial savings goals ranged from \$400 to \$1000, with a mean of \$964.56 and no significant differences across locations. As can be seen in Figure 4, the vast majority of the participants (90.1%) aimed to save \$1000. This number is noticeably higher than that from Phase 1 (76.6%), showing a considerable increase in the proportion of those aiming to receive the maximum possible matched savings in the second phase of the program. This is consistent with the US findings of Schreiner and Sherraden (2005) that matched savings program participants interpret the maximum possible matched savings amount as a target for them that has been set by ‘wiser’ minds in program design.

Figure 3: Meeting the Savings Goal - All Participants

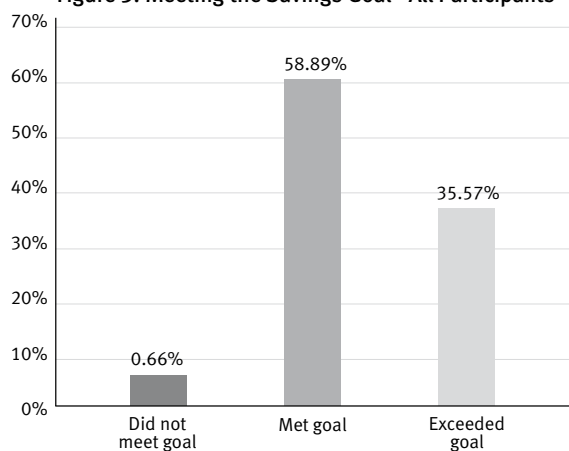


Figure 5: New Savings Goals

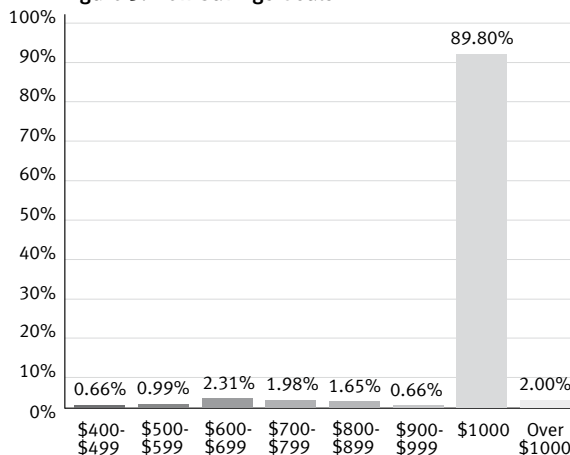
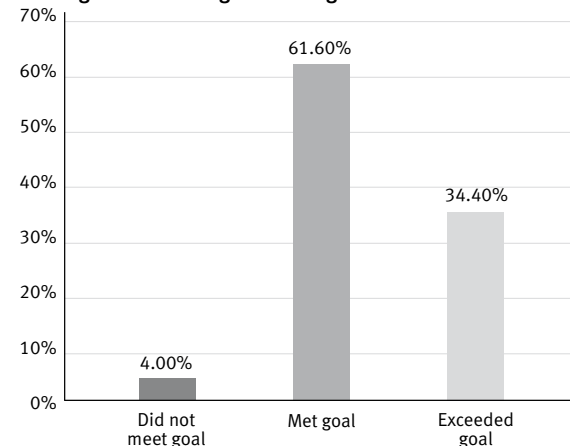


Figure 4: Initial Savings Goals



Figure 6: Meeting the Savings Goal



## 7.0 Saving During Saver Plus

In order to assist them in meeting their overall savings goal, the participants were encouraged to set weekly, fortnightly or monthly goals for themselves. For the majority (89.1%), the overall savings goal stayed the same throughout the program whereas a small proportion of participants either increased (7.9%) or decreased (3%) their goal. As seen in Figure 5, by the end of the program, 89.8% of participants were aiming to save \$1000 and 2% were actually aiming to save more\*. For those who were aspiring to save more than \$1000, the main reason for increasing their overall goal was that they found they were readily able to increase their weekly, fortnightly or monthly goals and thus actually save more overall. Similarly, those who increased their goals in general (i.e. not necessarily to more than \$1000) mainly felt that they could save more than they originally thought and/or experienced an increase in earnings. On the other hand, changes in circumstances in terms of unexpected expenses and reduced income were again the main reasons stated for decreasing the savings goals.

As shown in Figure 6, only 4% of the new 2005 participants did not succeed in meeting their goals, with an overwhelming majority of 96% either meeting or exceeding their goal. The proportion of individuals exceeding their goal is comparable to that of 34.6% from the first phase of the program, although this time around the overall success rate was higher by almost 4 percentage points. Interestingly, those individuals who were aiming to save more were also significantly more likely to meet or exceed their goals. The majority of individuals (55%) usually found it fairly easy to find the money for their monthly Saver Plus deposits, with 40% experiencing moderate difficulties and 5% stating that it was usually fairly hard to make the payments. Most of the participants (71.3%) indicated that it was the opportunity to obtain the matched savings that was the main factor driving them to succeed in meeting their goal. The remainder of the participants stated that it was the financial literacy training (13.5%) and the support provided by the Relationship Manager (10.8%) or 'other' (4.4%) that were the most important factors in helping them meet their goal. Table 22 shows these 'other' factors which, as stated by the participants, enabled them to save during the program.

**Table 21: Reasons for changing savings goals**

Decreased savings goal
“Due to decreased income.”
“I couldn’t increase my fortnightly savings of \$40 because of other financial commitments.”
“Change in circumstances.”
“Major illness and advanced school costs required withdrawals to be made which aren’t being matched.”
“My husband was let go from work and started his own business and did not have money to pay us.”
“Eldest daughter was sick with epilepsy.”
Increased savings goal
“Was able to save more and wanted the maximum matched funds.”
“I realised after a while that I could actually afford to save more.”
“[Since] I could access my funds in December and I was able to afford a little more, so I thought I may as well get the most out of it.”
“I have a casual job and this enabled me to deposit extra funds into the account each month.”
“So that I could show myself that I’m able to save the maximum amount to receive the maximum matching funds.”
“My initial calculation was \$45.50 per fortnight to achieve \$1000. \$50 per fortnight made more sense and I didn’t miss \$4.50.”
“Had a pay rise.”
“Increase in my hours at work.”
“Because of the interest in the matched rate: \$2 for \$1.”
“Because I was keen to receive the most amount of matched funds.”

\* It is difficult to obtain the exact information regarding changes in overall goals, as the majority specified changes in their goals in terms of their monthly, weekly goal changes, making it challenging to see how this translates into changes in their overall goals, depending upon when their goal change occurred.

## 7.0 Saving During Saver Plus

As can be seen from Table 23, all participants from Campbelltown and Shepparton were successful in achieving their goals. In comparison to the other three locations, Frankston participants were significantly less likely to meet their savings goal with nearly 11% unable to reach the amount that they aimed to save. In contrast, participants from Campbelltown were significantly more likely to exceed their goal with a majority at almost 59% saving more than they had aimed for originally.

Interestingly, we find the same goal attainment pattern across the groups even when we control for the demographic and financial literacy characteristics of the participants. The only other two factors that were found to have a significant effect on one's goal attainment were the age of the youngest child and monthly income. In contrast to the literature on saving which posits that the presence of younger children has a negative impact on one's saving levels (Pashardes, 1991; Wang, 1994; Browning and Lusardi, 1996; Harris, Loundes and Webster, 2002), we find that those participants with older children had greater difficulties in meeting or exceeding their goals. On the other hand, just as expected, monthly income was found to be positively related to the goal attainment.

### 7.5 Making deposits and strategies used to assist in saving

As shown in Table 24, the majority of participants (58%) made their monthly deposits using cash, followed by transfers from another account (18%). The remaining proportion made use of automatic transfers such as direct debit (11%), Autopay (10%) and Centrepay (3%).

We can also compare the methods used in making deposits across the four locations. The details of this comparison are presented in the following table.

Across all locations, cash deposits at the bank were the most popular way of making deposits and apart from the continuing Frankston participants, over 50% of participants at all other locations used this method. Autopay was more likely to be used by Shepparton and new Frankston participants, while Centrepay was more likely to be used by Brisbane participants. Finally, continuing Frankston participants were more likely to make use of direct debits in making deposits. These differences are found to be statistically significant using the  $\chi^2$  test.

**Table 22: Other factors enabling participants to save during the program**

"By making deductions directly from my wages I couldn't miss a deposit."
"Incentive to initiate direct debit."
"It was extra income that my employer banked into an account solely for that purpose and I never touched it."
"Knowing that at the start I could live the next twelve months knowing that the most costly school year for me was going to be taken care of."
"Knowing we were able to cover the cost of needed items."
"The consistent steady routine of it."
"The determination to succeed despite the challenges, to achieve a positive outcome for all parties i.e. myself, my child, The Smith Family, ANZ."

**Table 23: Meeting the savings goal – across locations**

		Campbelltown	Shepparton	Brisbane	Frankston
Did you succeed in meeting your savings goal?	No, not quite	0	0	4.82%	10.53%
	Yes, I met my goal	41.46%	63.77%	65.06%	68.42%
	Yes, and I saved more than I originally aimed to	58.54%	36.23%	30.12%	21.05%
$\chi^2_{(6)} = 24.36, p < 0.05$					

## 7.0 Saving During Saver Plus

**Table 24: Banking methods used for saving**

		%
How were your monthly deposits made?	Cash deposits at the bank	58.23%
	Automatic deductions from my salary (Autopay)	10.04%
	Automatic deductions from my Centrelink payments (Centrepay)	3.21%
	Transfer from another account	17.67%
	Automatic deductions from my bank account (direct debit)	10.84%

**Table 25: Methods of making deposits – comparison across locations**

	Campbelltown	Shepparton	Brisbane	Frankston: New	Frankston: Continuing
Cash deposits at the bank	58.97%	59.68%	53.01%	57.89%	43.01%
Automatic deductions from my salary (Autopay)	5.13%	14.52%	6.02%	15.79%	8.60%
Automatic deductions from my Centrelink payments (Centrepay)	0.00%	0.0%	9.64%	0.00%	2.15%
Transfer from another account	25.64%	11.29%	19.28%	19.30%	16.13%
Automatic deductions from my bank account (direct debit)	10.26%	14.52%	12.05%	7.02%	25.81%

## 7.0 Saving During Saver Plus

### 7.6 Use of credit during Saver Plus

In the previous phase of the program it was found that around 9% of participants had borrowed or used credit in order to meet their goals. This indicated a need for further investigation of the participants' use of credit and borrowing during their participation in the program. As a result, during this phase the participants were asked additional questions regarding the frequency of their borrowing/credit use and the average amount borrowed. Table 26 summarises this information.

As can be seen in Table 26, in this phase of the program 7.2% of participants reported that they borrowed or used credit to meet their savings goal. The majority of these participants stated that they used a credit card for items that they would normally pay for with cash. A smaller proportion borrowed from family or friends (1.6%) or used store credit (1.2%). Most commonly the participants borrowed/used credit in only 1 or 2 months during their participation in the Saver Plus program, followed by those who borrowed in 3 or 4 months. The most frequently borrowed amount was between \$100-\$300, with the majority on average borrowing or using credit for an amount of less than \$300. Several individuals reported borrowing or using credit for an amount of \$800 and more.

### 7.7 Difficulties in saving

Around 27% of individuals reported having difficulties that impacted on their ability to save during the Saver Plus program. Out of those who experienced difficulties, the majority nominated unexpected bills (47%) as the main factor that affected their ability to save. Reduced hours of employment (24%) and major illness, either own or of another family member (21%) were the next most frequently encountered difficulties. Despite these difficulties, 42% indicated that they still managed to meet their savings goal each month and 36% had to miss one or more deposits that they later made up. A smaller proportion had to withdraw some money (12%) or miss at least one deposit without being able to make up for it (3%).

**Table 26: Use of credit and borrowing to meet savings goals**

		n	%
Had to borrow or use credit in order to meet savings goal 7.2%	Borrowed from family or friends	5	1.60%
	Used credit card for items I would normally pay for with cash	10	4.00%
	Used store credit	3	1.20%
	Extended a current loan	0	0
	Obtained a new personal loan from a bank	0	0
	Obtained a short term loan	0	0
Approximately how many months did you borrow or use credit to meet your monthly savings goal?	1-2	8	2.31%
	3-4	5	1.65%
	5-6	1	0.33%
	7-8	1	0.33%
	9-10	0	0
	More than 10	1	0.33%
What was the average amount you borrowed or used credit for to meet your savings goal?	Less than \$50	3	0.99%
	\$50 or more but less than \$100	1	0.33%
	\$100 or more but less than \$300	6	1.65%
	\$300 or more but less than \$500	2	0.66%
	\$500 or more but less than \$800	0	0
	\$800 or more but less than \$1000	1	0.33%
	More than \$1000	3	0.99%

## 7.0 Saving During Saver Plus

Table 27: Difficulties in saving

		%	Examples	n	%
Difficulties	27.09%		Complete loss of employment for yourself or another household member	11	16.18%
			Reduced hours (from normal average) of employment for yourself or another household member	16	23.53%
			Minor illness of yourself or another family member	5	7.35%
			Major illness of yourself or another family member	14	20.59%
			Death of a family member or close friend	6	8.82%
			Unexpected bills eg. car breakdown, major appliance needed replacing	32	47.06%
			Relationship breakdown	8	11.76%
How did this difficulty affect your savings?			I still managed to meet my savings goal each month	28	41.79%
			I could only deposit a smaller amount	5	7.46%
			I had to miss one/some deposits but made them up later	24	35.82%
			I had to miss one/some deposits and wasn't able to make up	2	2.99%
			I had to withdraw some money	8	11.94%

### 7.8 Monthly deposits

As shown in Table 28, the number of individuals participating in the Saver Plus program increased steadily during the saving period with the last of participants joining as late as September 2005\*. As indicated by the mean monthly deposits, on average the participants were also depositing larger amounts as the time progressed, with the highest average deposit recorded for the month of October 2005. The mean number of deposits made in each month was also steadily increasing up to the month of June, after which it began to fluctuate slightly. On average however, each participant made about 2 deposits each month, which is comparable with the results from the previous phase.

Consistent with the findings from Phase 1, the one-way analysis of variance indicated that there were no significant differences in average deposits across the demographics, employment status, income levels, previous saving patterns and levels or the levels of financial management skills and knowledge. Once again, the only significant difference was found in regards to goal attainment with those who met or exceeded their goals having significantly higher average deposits.

\* Iraqi participants

## 7.0 Saving During Saver Plus

Table 28: Progress of recruitment and monthly deposits

	Number of participants	Average deposit	Average no. of deposits	Average (deposit/goal) ratio	No deposit %	Below goal %	Equal to goal %	Above goal%
Nov-04	3	\$16.67	0.67	.24	33.33%	66.67%	0	0
Dec-04	20	\$47.00	1.45	.62	25.00%	45.00%	0	30.00%
Jan-05	47	\$60.19	1.81	.75	19.15%	44.68%	2.13%	34.04%
Feb-05	125	\$73.22	1.82	.85	16.80%	52.80%	0	30.40%
Mar-05	205	\$91.80	2.18	1.05	12.68%	30.24%	9.27%	47.80%
Apr-05	237	\$97.72	2.21	1.05	8.05%	42.80%	5.51%	43.64%
May-05	269	\$102.44	2.21	1.09	4.49%	46.07%	5.99%	43.45%
Jun-05	293	\$122.62	2.29	2.35	5.84%	36.43%	6.53%	51.20%
Jul-05	295	\$129.13	2.26	1.29	6.19%	35.05%	4.47%	54.30%
Aug-05	300	\$165.45	2.38	1.86	3.75%	30.38%	2.05%	63.82%
Sep-05	303	\$174.33	2.35	2.41	7.77%	25.44%	2.83%	63.96%
Oct-05	303	\$176.45	2.16	2.05	6.84%	27.38%	5.70%	60.08%
Nov-05	303	\$170.24	2.26	2.46	5.81%	24.48%	5.39%	64.32%
Dec-05	303	\$167.08	1.63	2.02	22.22%	32.75%	8.19%	36.84%

The last section of Table 28 compares the individual deposits relative to each individual’s dynamic monthly goal. The dynamic monthly goal was constructed by subtracting each individual’s end-of-month account balance from their overall savings goal and then dividing this by the number of months remaining in the saving period. For instance, for an individual who joined the program in March 2005 with the aim of saving \$1,000, the dynamic monthly goal would be \$100 in March 2005. However, if this individual deposited \$190 rather than \$100 in March, then for the remaining nine months of the saving period the monthly goal would be \$90. The purpose of this analysis is to show the degree of correspondence between individual deposits and the amount they *should be* saving if they were aiming to divide the remaining amount equally across the saving period\*. At this point it is also important to recall that the participants were encouraged to set themselves a weekly, fortnightly or a monthly goal as part of their overall target. The shortcoming of this type of analysis is that it cannot accommodate the deposits made *after* the overall goal has been met and thus it excludes those who had reached their goal earlier from all subsequent calculations. However, it does provide an insight into the consistency of the individual deposits prior to their reaching their savings goal.

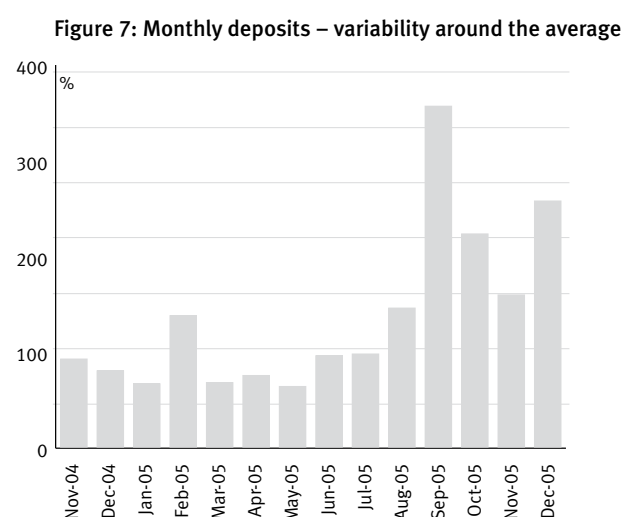
As shown by the average deposit/goal ratio, in the first four months of the program the participants were on average depositing amounts that made up 24%-85% of their implied

monthly goals. For most of the saving period however, the participants were *on average* making monthly deposits that were at least as much as their implied monthly goals. This is consistent with the finding that 94% of participants either met or exceeded their goal. Thus, it is expected that we also find that those individuals with higher average ratios were also found to be significantly more likely to meet and/or exceed their goals. No significant differences were found across locations.

Overall, 34% of all amounts deposited (prior to goal being reached) were below, 5% were equal and 52% were above their respective monthly goals. The remaining 9% represents the instances where no deposits were made. The highest proportions of deposits made above the implied monthly goal were recorded for the months of August, September and November. As indicated by the ratio and the monthly percentages of individuals who either made no deposits or deposited amounts below the implied monthly goals, the participants had a fairly slow start in the first few months of the program. However, in the subsequent months, the overall saving pattern stabilised reasonably with the majority depositing either an amount equal to or greater than their implied monthly target. The results associated with the last 2-3 months have to be treated cautiously given that a number of individuals reached their goal at the beginning of, or even earlier than December and withdrew their savings (with the approval of the Relationship Manager).

## 7.0 Saving During Saver Plus

Figure 7 shows the amount of variability\* around the average deposit for each month. As can be seen the highest level of variation relative to the average deposit occurred in September 2005. The figure also indicates that relative to the first half, the second half of the saving period was characterised by a higher degree of variability in monthly deposits. This is particularly true for the last four months of the program where the individual amounts deposited deviated considerably either above or below the monthly averages. This was expected given that the



participants were in the program for different lengths of time and those who joined later had to make larger deposits in order to save a similar amount. Similarly a number of individuals had reached, or were close to reaching, their goal before December 2005 meaning that they were either not making any deposits in the subsequent months or were depositing smaller amounts.

### 7.9 Final balances

The final balance was constructed for each participant by adding up all the deposits and then subtracting the total amount withdrawn during the program. It is important to note that these balances do not include the interest earned on the account as this was not part of the amount that was eligible to be matched. Overall, the average final balance was \$1,214 with significant variations across the four sites. As shown in Table 29, Campbelltown participants had the highest average final balance of \$1,481. The lowest average final balance was that of the Frankston group, closely followed by that of the participants from Brisbane.

**Table 29: Average balances**

Variables	Campbelltown	Shepparton	Brisbane	Frankston	Entire sample
Average final balance $F_{(3,298)} = 2.852, p < 0.05$	\$1,481.16	\$1,265.91	\$1,137.47	\$1,031.99	\$1,214.16
Average monthly balance $F_{(3,298)} = 4.483, p < 0.05$	\$140.91	\$138.39	\$120.56	\$95.75	\$125.07
Average months in program $F_{(3,299)} = 10.888, p < 0.05$	10.37	9.41	9.65	10.89	9.92

**Table 30: Saving behaviour by demographics**

	n	Average final balance
Age group	20-39	\$1,337.93
	40-49	\$1,167.12
	50-59	\$1,250.59
	60-69	\$1,022.50
Sole parent	Yes	\$1,189.62
	No	\$1,320.59
Equivalentised number in household	1.3-1.6 people	\$1,145.64
	1.7-2.0 people	\$1,312.77
	2.1-2.4 people	\$1,300.99
	2.5-2.8 people	\$1,029.78
	2.9 or more people	\$1,408.11

\* Represented by the coefficient of variation, which shows the level of variation of deposits relative to the average monthly deposit - (standard deviation divided by the mean).

## 7.0 Saving During Saver Plus

The average monthly balances were created by dividing each individual's final account balance by the number of months spent in the program. The average balances ranged from \$96 for Frankston participants (significantly lower) to \$141 for the Shepparton group. The average for the entire sample was \$125.

The number of months in the program varied considerably across individuals with the minimum being 4 months and the maximum 14 months. The average for all participants was around 10 months with significant differences across the four sites. As can be seen from Table 29, the length of participation was significantly lower for the Shepparton group (9 months), which is predominantly due to the late start of 34 Iraqi participants. Similar to the previous phase, the Frankston participants on average joined earlier and spent more time in the program than any other group.

In addition to the comparison across locations, average final balances were then compared across a number of other individual characteristics as shown in Tables 30, 31 and 32. Similar to the previous phase, we find that although there are interesting patterns, none of the differences are significant due to the high level of variance in the distribution of final balances (S.D = \$846.50).

As shown in Table 30, participants aged 20 to 39 years had a considerably higher average final balance than any other group. Sole parents, on average, had a lower final balance than couples with children, which could be due to their being constrained by a

single source of income. In terms of education we again observe the highest average balance for individuals who completed school. However, as in the previous phase, it should be noted that the average final balances are above \$1,000 for all education levels.

In terms of income sources, the participants who had a single source of income from full-time employment had the highest average balance, followed by those with a dual income and a mixed employment status. Similarly, those whose primary source of income was paid employment, on average had a higher final balance than those who primarily relied on government benefits.

The participants who reported that they save occasionally had the highest average final balance, particularly relative to those who stated that they do not save anything. In regards to the prior savings level, the participants who recorded that they had \$5,000 or more in savings at the time of joining the program also had a considerably higher average balance than the rest. A pattern can also be observed when the average final balances are compared across the descriptions of pre-Saver Plus situations. As shown, those who stated that their situation is best described by '*I haven't got enough money to pay the bills*' had the lowest average balance, followed by those who stated that they have '*just enough to get by on*'. The average balances increase steadily with the situation being described as having enough with a few extras and being able to save money which does not need to be spent.

**Table 31: Saving behaviour by language and education**

		n	Average final balance
Language spoken at home	English	259	\$1,241.09
	English + Other	1	\$1,000.00
	Other	15	\$1,045.55
Education	Part school	52	\$1,330.00
	Part school + TAFE/Other qualification	106	\$1,290.26
	Completed school	17	\$1,489.51
	Completed school + TAFE/Other qualification	41	\$1,136.13
	University	23	\$1,038.85

## 7.0 Saving During Saver Plus

Table 32: Saving behaviour by income, source and prior saving behaviour

		n	Average final balance
Income sources	Single income, casual	81	\$1,128.28
	Single income, part-time	97	\$1,241.00
	Single income, full-time	28	\$1,346.15
	Dual income, full-time	13	\$1,207.47
	Dual income, other	32	\$1,278.92
Primary source of income	Paid employment	121	\$1,313.69
	Government benefits (eg. parenting payment)	155	\$1,173.69
Equivalised weekly income	\$125-\$250	35	\$1,341.54
	\$251-\$375	153	\$1,258.87
	\$376-\$500	62	\$1,150.76
	\$500 or more	10	\$1,235.76
Prior savings pattern	Save something every week	107	\$1,199.03
	Save sometimes but not regularly	127	\$1,292.73
	Don't save anything	39	\$1,127.71
Prior savings level	Less than \$50	67	\$1,288.35
	\$50 or more but less than \$200	69	\$1,134.23
	\$200 or more but less than \$600	55	\$1,254.05
	\$600 or more but less than \$1000	29	\$1,375.20
	\$1000 or more but less than \$3000	36	\$1,107.97
	\$3000 or more but less than \$5000	12	\$1,086.04
	\$5000 or more	12	\$1,545.92
Description of situation	I haven't got enough money to pay the bills	9	\$1,051.37
	I have just enough to get by on	64	\$1,130.93
	I have just enough to get by on, with a few extras	130	\$1,235.24
	I am able to save money which I don't have to spend	76	\$1,335.30

### 7.10 Patterns of saving behaviour

Table 33 contains results of a comparison of the previous month's deposit with that made in the current month. For each participant, the deposits were first compared across months to identify whether there was a deposit, and if so whether it increased, decreased or stayed the same relative to the amount deposited in the previous month. Then for each month, the deposits were categorised in terms of whether an individual made no deposit or deposited an amount that was either below, equal to or above their implied monthly goal. As shown, around 31% of individuals who did not make a deposit in one month also did not deposit anything in the subsequent month either. Overall however, the amount deposited in the following month was most likely to be higher (38% of all cases).

Generally, the analysis shows evidence of individuals aligning and re-aligning their monthly deposits with the implied goals. In cases where the amount deposited was below the implied monthly goal, most frequently the subsequent month's deposit was relatively higher (54%) or the same (32%). Similarly, if the deposit was equal to the implied goal, most commonly it stayed the same (61%) or increased (30%) in the month following. Moreover, those who deposited amounts higher than the implied goal were most likely to decrease the amount the following month (41%) or keep it at the same level (32%).

## 7.0 Saving During Saver Plus

**Table 33: A comparison of monthly amounts deposited**

Deposit current month	Deposit previous month				All
	Nothing	Below dynamic goal	Equal to dynamic goal	Above dynamic goal	
Nothing	31.28%	4.40%	2.54%	4.94%	6.73%
Decreased	0	9.34%	6.78%	41.07%	24.28%
Same	0	32.31%	61.02%	32.26%	31.09%
Increased	68.72%	53.96%	29.66%	21.73%	37.90%
Number of pairs	195	910	118	1215	2438

Table 34 summarises the saving behaviour of the participants by categorising them as either consistent savers, consistent/variable savers, withdrawers or sporadic savers. In contrast to the findings from the previous phase, in this phase of the program there were no consistent savers – not a single participant had no withdrawals, nor made a deposit every month by depositing amounts with a standard deviation of less than \$10. As can be seen, around 35% can be classified as consistent/variable savers compared with the 62% from the previous phase. This difference is clearly due to the higher number of withdrawals in the second phase of the program, where nearly 50% of individuals withdrew funds from the account during the course of participation compared to only 9% in Phase 1. A total of 16% of participants missed at least one deposit, which is comparable to the 19% of sporadic savers in the previous phase. Although the consistent/variable savers on average had a higher final balance, one-way analysis of variance indicated that there are no significant differences in the average balances across the categories.

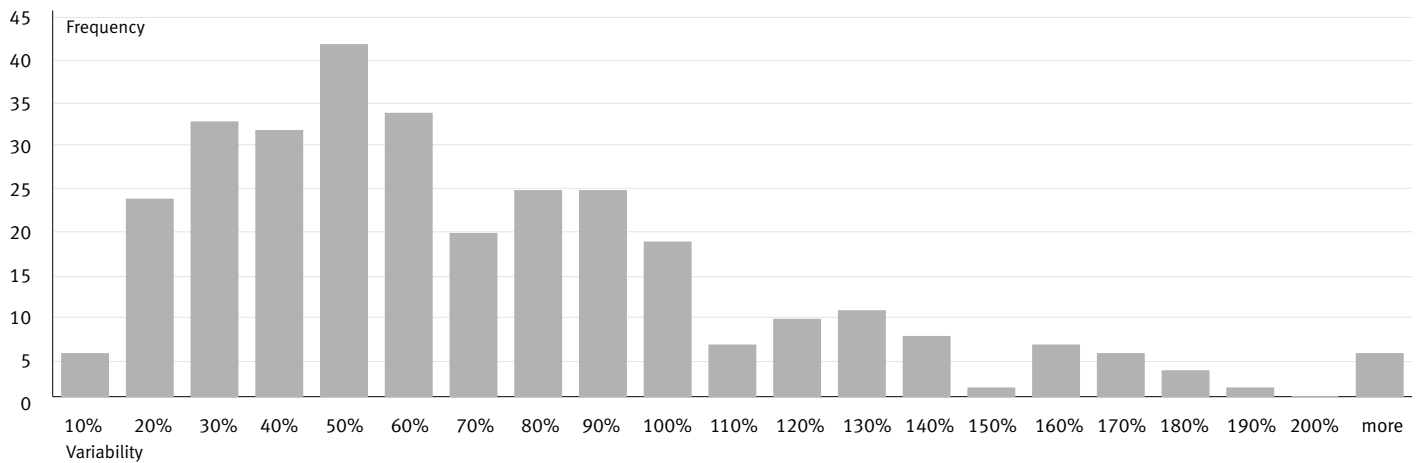
Another way of investigating the consistency in individual deposits is to examine the degree of variability around the average deposit made over the course of the program. A useful measure in this case is the coefficient of variation which gives the standard deviation (i.e. average amount by which an individual's deposits deviate around the mean) as a percentage of the average deposit. This is illustrated in Figure 8. As can be seen, the majority of participants were depositing amounts that deviated below or above their average deposit by up to 70%. More specifically, 50% and 75% of participants' deposits fluctuated around their respective means by up to 56% and 87% respectively.

**Table 34: Patterns of saving behaviour and average final balance**

	n	%	Average final balance
Consistent (No withdrawals, did not miss a deposit, deposits made with a standard deviation of less than \$10)	0	0	-
Consistent/Variable (No withdrawals, did not miss a deposit, deposits made with a standard deviation of more than \$10)	103	34.45%	\$1,327.79
Withdrawers	148	49.50%	\$1,212.48
Sporadic (Missed 1 or more deposits)	48	16.05%	\$1,018.50

## 7.0 Saving During Saver Plus

Figure 8: Variability in individual amounts deposited during Saver Plus



### 7.11 Income levels throughout program

As shown in Table 35, around 25% of participants experienced a decrease in household income during their participation in the Saver Plus program. For the majority (59%) the income was stable throughout the period, whereas a small proportion of 16% reported an increase in household income.

Table 35: Income levels throughout program

		n	%
Has your household income changed since you first started on the Saver Plus program?	Yes, our household income has gone down a lot	27	10.76%
	Yes, our household income has gone down a little	36	14.34%
	No, our household income is about the same	147	58.57%
	Yes, our household income has gone up a little	25	9.96%
	Yes, our household income has gone up a lot	16	6.37%

## 8.0 Usefulness and Satisfaction of the Financial Education Component

### 8.0 Usefulness and Satisfaction of the Financial Education Component

Although the financial education component was compulsory, the participants enjoyed the classes and many found this component to be the most valuable part of the Saver Plus program. The participants were asked to rate how useful they found each of the modules and as seen in Table 36 all the modules were found to be useful or extremely useful to most of the participants (over 80%).

Similarly, there was a high level of satisfaction overall for the financial education component with approximately 90% of participants being satisfied or very satisfied with the education provided. Those who were not satisfied with the financial education component reported that the information was “too basic” for them.

**Table 36: Rating of usefulness of the financial education component**

	Topics covered	Not at all useful	Very little use	Neutral	Useful	Extremely useful	Mean
Module 1	Define financial literacy, define savings, define SMART goals, examine schooling costs, determine savings goal	1(0.4%)	15(6.2%)	28(11.5%)	80(32.9%)	119(49.0%)	3.24
Module 2	Calculate net worth, create personal spending plan, differentiate between needs and wants, “pay yourself first”	2(0.8%)	8(3.3%)	29(11.9%)	74(30.5%)	130(53.5%)	3.33
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(3.7%)	35(14.4%)	97(39.9%)	102(42.0%)	3.20
Module 4	Describe how life events impact on goals, identify obstacles and personal resources, describe circumstances that may influence spending decisions	0	9(3.7%)	35(14.5%)	94(38.8%)	104(43.0%)	3.21
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	12(5.0%)	28(11.6%)	88(36.5%)	113(46.9%)	3.25

## 8.0 Usefulness and Satisfaction of the Financial Education Component

Table 37: Rating of satisfaction with financial education component

	Topics covered	Not at all satisfied	Unsatisfied	Neutral	Satisfied	Very satisfied	Mean
Module 1	Define financial literacy, define savings, define SMART goals, examine schooling costs, determine savings goal	0	3(1.2%)	22(9.1%)	74(30.5%)	144(59.3%)	3.48
Module 2	Calculate net worth, create personal spending plan, differentiate between needs and wants, “pay yourself first”	0	2(0.8%)	17(7.0%)	75(30.9%)	149(61.3%)	3.53
Module 3	List ways to generate money, define cash flow, examine attitudes which might be an obstacle to achieving goals, rectify spending leaks	0	1(0.4%)	23(9.5%)	85(35.0%)	134(55.1%)	3.45
Module 4	Describe how life events impact on goals, identify obstacles and personal resources, describe circumstances that may influence spending decisions	0	2(0.8%)	21(8.7%)	85(35.1%)	134(55.4%)	3.45
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	2(0.8%)	21(8.7%)	79(32.8%)	139(57.7%)	3.47

To many participants, the education component provided additional benefits apart from providing new knowledge and skills, in that it gave the opportunity for meeting other people in the program, forming networks, and a social connection. To some participants who were going through some difficulties in their personal lives, this contact became a very important part of the experience. Many participants are single parents and the classes gave these participants a chance to talk to others who were dealing with similar life experiences and this opportunity was very much appreciated by the participants. Table 38 gives some examples of the participants’ qualitative responses regarding the benefits of the financial education component.

## 8.0 Usefulness and Satisfaction of the Financial Education Component

**Table 38: Benefits from the financial education component**

<p>“When I joined my main goal was to buy my daughter a laptop - something I would not be able to afford otherwise. What I got out of it was even more important - friendship, understanding, support, knowledge, confidence, ability to adapt and a finished project.”</p>
<p>“I enjoyed meeting others participating in the program. Sharing ideas, and putting them into practise and the opportunity to learn about other points of view.”</p>
<p>“I learned a lot. The difference between a ‘want’ and a ‘need’ is amazing. I learned how to manage money better, take control and met a great crowd of new friends.”</p>
<p>“Learned to save to make things easier in all aspects of life. Learned to budget. Beware of spending habits. Less stress. Bank next year as well.”</p>
<p>“It helped me to work out my spending habits and I became more aware of what I was spending each month; therefore I was able to cut down on things I did not really need at the time.”</p>
<p>“The program was informative and has inspired me to continue saving and made me realise that I can save. Meeting people in similar circumstances was good. Learning about banking, financial institutions, ways to save etc. The course content was very good.”</p>
<p>“It was great to know other people face the same issues as you, when it comes to money. The meetings were always well organised and informative. They also had purpose. I’ve become friends with some of the other ladies.”</p>
<p>“Workshops covered areas of financial knowledge I wasn’t familiar with. Supportive environment in which to look at my attitudes to money and myself. Very practical structures for organising my thinking about money.”</p>
<p>“I learned a lot from the program. The lecturer was very good with information and encouraged other group members’ ideas. She also understood our setbacks. It’s the best program I’ve been to. Hope it can be offered to country areas.”</p>
<p>“I found the classes very informative, the importance of knowing proper interest rates, how compound interest works and also made me sit down and really work out what I’m spending and how I change my relationship with money.”</p>
<p>“Being part of such a diverse group of people and seeing what is important to them financially. Getting tips on how to buy, save, budget was fantastic. Co-ordinator knew her stuff and made it interesting.”</p>
<p>“Great workshops - learned a lot especially from my own mistakes/experience - bad financial habits.”</p>
<p>“I found the training sessions very informative and having money deducted from my wages into the ANZ account has set me up for a ‘savings habit’ I am determined to continue.”</p>
<p>“It has made me aware that I should think about my finances, and not accept blindly (as I have done until now) bank fees and interest rates. I have been motivated to research some banks/building societies and close the account with the Commonwealth Bank.”</p>
<p>“Above all else it gave me hope. Every session I went to I walked out feeling a reinforced sense of “I can do it” and am doing it and if I should falter I know I have a great support network to help me over the hurdles.”</p>
<p>“I learned a lot at our meetings and have even passed on some of the financial tips to my 22 year old son. The Relationship Manager was friendly and fantastic. I felt very welcome.”</p>
<p>“Excellent training. Pleasant meetings that were flexible. Positive and non-judgemental, helpful staff. Good chance to meet other mums like this. Great incentive to save regularly.”</p>
<p>“It taught me a lot of good money tips - small print reading, read statements and understand them! Quite a few things, places and people in our community to help that I never knew existed.”</p>
<p>“The course was enjoyable, informative, and valuable, the information was relevant to all members of the group. It drew attention to budgeting and how much we actually spend. I enjoyed the feeling of saving.”</p>

## 9.0 Post-program Savings and Money Management

### 9.1 Planned saving behaviour post-Saver Plus

When asked if they plan to continue saving after Saver Plus, the overwhelming majority indicated that they should be able to do so (see Table 39). Nearly 50% of the participants felt that they should be able to keep saving the same amount each month and 25% believed that they could save even more. Only one individual (0.4%) stated that he did not think he would be able to save regularly.

### 9.2 Actual saving behaviour post-Saver Plus

In the focus groups conducted approximately three months after the completion of the second phase of the program, participants were asked about their post-Saver Plus saving behaviour. Out of the 56 focus group participants, approximately 86% reported that they are still saving, with the majority of these saving the same amount (45%) or more (20%) than during the program (see Table 40).

In comparison to their pre-Saver Plus saving behaviour, 53% indicated that they are now saving more, whereas 22% stated that they still save the same amount. When asked about their approximate savings per month, the majority (63%) reported that they are saving up to \$100 with the most commonly saved amount being in the range of \$76 to \$100. Nearly 88% stated that they are still using their Progress Saver Account and an encouraging 94% reported that they are saving toward another goal.

These results are very similar to Phase 1 of Saver Plus, with 84.2% of participants reported they were still saving three months after completing the program and 46.9% of these saving the same amount and 34.4% saving more than they did while in the program.

**Table 39: Planned saving behaviour post-Saver Plus**

		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	63	25.10%
	Yes, I should be able to keep saving the same amt each month	125	49.80%
	Yes, but a smaller amount each month	62	24.70%
	No, I don't think I'll be able to save regularly	1	0.40%

## 9.0 Post-program Savings and Money Management

**Table 40: Actual saving behaviour three months post-Saver Plus**

		n	%
Are you still saving?	Yes	49	85.96%
	No	8	14.04%
What amount are you saving?	The same as on Saver Plus	22	44.90%
	More than on Saver Plus	10	20.41%
	Less than on Saver Plus	17	34.69%
How does this amount compare to what you were saving before Saver Plus?	More than before Saver Plus	26	53.06%
	Less than before Saver Plus	12	24.49%
	The same as before Saver Plus	11	22.45%
Approximate savings per month	\$1 – 25	5	10.20%
	\$26 – 50	9	18.37%
	\$51 – 75	5	10.20%
	\$76 – 100	12	24.49%
	\$101 – 125	7	14.29%
	\$126 – 150	4	8.16%
	\$151 – 175	2	4.08%
	\$176 – 200	0	0
	\$201 – 225	2	4.08%
More than \$225	3	6.12%	
How would you describe your savings habit since finishing the program?	I save the same amount each fortnight/month	18	36.73%
	What's leftover after expenses, usually different amount each fortnight/month	17	34.69%
	Target amount each fortnight/month, but value of that amount varies	8	16.33%
	I have not been able to save regularly	6	12.24%
Are you still using your Progress Saver Account?	Yes	42	87.50%
	No	6	12.50%
Are you saving toward another goal?	Yes	46	93.88%
	No	3	6.12%

## 9.0 Post-program Savings and Money Management

### 9.3 New savings goals

In the focus group discussions held three months after the participants completed the program, the topic of future goals was discussed. It was clear that the participants' experience of seeing their goals become a reality was the culmination of their experience. The process of participants setting a goal, actively working towards reaching the goal and having the support mechanisms and infrastructure in place to facilitate the achievement of reaching the goal is a framework that clearly

works. This is evidenced by participants reaching their goal in the program and their enthusiasm for setting future goals. Participants reported that saving and succeeding in the program became 'addictive' for them and were on track to meeting their future goals. One participant had even worked out that she needed to save only an extra \$6 a week and that would be equal to what she had saved during the year plus the matched funds received. Table 41 gives some examples of new savings goals for the participants.

**Table 41: New savings goals**

"A new car."
"A new computer."
"An operation next month."
"Christmas 2006."
"Back to school 2007."
"Emergency fund."
"End of year holiday."
"Family holiday."
"For a holiday over the Christmas holidays."
"General expenses, braces, holiday."
"Holiday."
"Heating for the house."
"Holiday at Christmas."
"Holiday to Queensland."
"Holiday, dental – braces for one child."
"Holidays, shares."
"Home deposit."
"Home loan."
"Keeping ahead of my budget (everyday), car registration, insurance etc."
"Money to take the children to see their grandparents."
"My daughter missed out on an excursion to China. I would like to take her on an overseas educational holiday."
"My first holiday in 7 years."
"New baby."
"School activities, holiday for next year."
"School expenses for my son in grade 8 (2007) eg. Uniforms etc."
"School for next year for both children."
"Second child's high school expenses."
"To have money over the Christmas break."
"Wedding plans for daughter."
"Would like to save enough to cover all the girls' needs – not just school, so if they have an unexpected need then the funds will be available easily."
"Yearly bills, house rewiring."
"Buy furniture."
"I want to go overseas and help my family in Iraq."
"My goal is to buy a house."
"To buy a car."
"To buy furniture (desk)."

## 9.0 Post-program Savings and Money Management

### 9.4 Changes in money management behaviour

A primary aim of asset-building programs such as Saver Plus is to improve the financial capabilities of the participants. Gaining financial knowledge and skills is a benefit that will outlast the matched savings or uniforms and books purchased with the savings. While it is too early to tell whether the money management behaviour has changed for the long-term, three months after the participants finished the program, there is a strong indication that the participants' money management capabilities have increased. Approximately 96% of participants

(from the focus group sample) have reported an increase in their abilities to manage their money better (see Table 42).

Table 43 below provides examples of some of the money management changes participants have made due to the Saver Plus experience.

There is some evidence that shows the program has changed some participants' attitude towards banks. Some said they had a "low opinion of banks before" (participant) but now ANZ is "in their good books" (participant). This change was also helped by the ANZ Bank re-opening a branch in that participants' local area.

**Table 42: Rating of ability to plan and manage money since the program**

To what extent do you feel your ability to plan and manage your money has changed since undertaking the Saver Plus program?		
	n	%
Hasn't changed	2	3.64%
Has somewhat increased	8	14.55%
Has mostly increased	14	25.45%
Has increased a lot	31	56.36%

**Table 43: Examples of money management changes**

"I appreciated the opportunity to form the habit of putting some money away weekly. As a single parent working casually only one day a week, I always fear there isn't enough money so I just live from week to week."
"Never really saved before. Now I intend on putting away (saving) the same amount to help me cope with school expenses. It makes for less worry."
"I was surprised that it wasn't very hard for me to save each fortnight and having the money saved straight into my bank account was great. I am still having money go into my account each fortnight and will continue to do this always. It's a good feeling."
"I have changed my credit card to a lower interest card"
"I have actually put money away for an emergency fund now, which I didn't have before. I've now got that backup so when things happen, like the car breaks down – the money is there."
"It has made me save extra money on top of my Saver Plus and I get very excited when checking the balance and watching it grow and very proud of myself because I haven't withdrawn on that account at all!"
"I thought I was pretty good at budgeting our money but this taught me how to tighten more and where the spending leaks could be, how they are happening. Always pay yourself first otherwise you may never be able to achieve goals."
"I have always wanted to save money - but never have. I would start savings or Christmas accounts but always withdrew after only a few weeks. This experience made me save and proved I could do it. I am confident I can do it again in the new year."
"I found the whole saving incentive scheme very rewarding. I am so much better off now I have savings and a budget to pay my bills out of, so I don't panic when the bills come in now. Also I have learned to do Internet banking. Thank you."
"I got a lot out of the course and am very thankful to have done it. I now can consider my money matters better and am saving better than I did. I am thinking of changing banks for the better service."
"I am not using credit anymore."
"I have learned to distinguish between 'needs' and 'wants'."
"I am aware of spending leaks."
"I have since looked more closely at financial products"

## 10.0 Effects and Benefits of the Program

The program affected the participants in a variety of ways that are not mutually exclusive. The participants reported impacts regarding their own personal development and changes in attitude towards saving; the range of effects the program had on their families; the changes to their day-to-day financial behaviour; and the effect of the purchased educational product or service on their child’s life. The extent of the impact often depended upon the participant’s ‘starting point’ when they joined the program. For some participants the program came along at a crucial time in their life when they were struggling with certain life events as well as financially. For these participants, the program seemed to have the biggest impact. This was due in most part to the support they found in the financial education classes, having contact with the community organisation and feeling the support of the Relationship Manager. By being able to better address the circumstances in their life that were impacting their financial circumstances coupled with the timely guidance and help in being able to better manage their money, these participants were given a sense of hope in looking towards the future.

The participants in the focus groups reported a wide variety of effects including:

- A greater propensity to plan for the future
- A more positive outlook on life
- A greater level of confidence
- Improved health (some participants gave up smoking in order to meet their monthly savings goals)
- Increased self-esteem – “I have moved from the ‘have-nots’ to the “haves” (participant)
- A greater desire to help others because they have been helped
- A significant reduction in stress.

Overall, nearly all the participants (99.2%) reported a positive experience in the program (see Table 44).

**Table 44: Rating of overall experience**

Very negative	Negative	Somewhat negative	Neutral	Somewhat positive	Positive	Very positive	Mean score
-3	-2	-1	0	+1	+2	+3	
0	0	0	2(0.8%)	4(1.6%)	57(22.6%)	189(75%)	2.72

## 10.0 Effects and Benefits of the Program

Below (Table 45) are some of the qualitative statements arising from the focus groups regarding the overall experience and impact of the program.

**Table 45: Overall experience and impact of the program**

“I’ve learnt that if you really want something you can achieve it. It has shown me you can have savings and not have to sacrifice too much to get it.”
“Gave up smoking. Feel healthier now – more energy”
“It has helped me learn how I can save money and it also helped to obtain items that I may not have been able to.”
“Used to feel sorry for myself – but now I realise how lucky I am, and that I have lots to be thankful for.”
“I got an opportunity to get my son a computer and I also learned there were a lot of people in the same and worse situations. Due to the program I have learned a lot about regular savings and how to maintain this through seminar notes and shared experiences.”
“Saver Plus gave me the confidence to save with a financial institution plus helped me stay steady with my saving without goals in mind when I had reached my goals.”
“I have a positive attitude now and I feel good about my life.”
“I have found Saver Plus to be a very positive experience because it has taught me how to save. It has also taught me about other saving products. I have realised I can do it and will continue to save in the future.”
“A few weeks out of Christmas I’m feeling good with my finances for the first time.”
“It made me sit up and think. You know, what’s happening with my future.”
“I made a good friend with the teller down at the bank. So that was good. And I’m really proud of myself. I actually gave up smoking, too.”
“What I got out of the program were the women, all the different people I met. We’re all the same people and your circumstances can change like that, like they did for me.”
“I learned to understand money and how to handle it. Motivation to save came easily once in the program. I think I have achieved success during this time not only in the savings aspect, but without all the support given I will definitely continue with this.”
“It was really me that benefited – my daughter got the stuff but it was me that benefited.”
“With my son entering high school, I knew there would be extra costs involved. Also, the opportunity to be able to purchase a decent computer and equipment to help with his education. My son has learning difficulties and attends extra classes. Great help.”
“The program gave me much more in areas I didn’t expect to be addressed. The support, the sharing, the caring throughout the program was amazing. The thought that saving is achievable and very rewarding gave something more to me. I now have faith in ANZ.”
“Gives people the opportunity to set goals and see your goals come to life.”
“I have found the whole Saver Plus program to be extremely beneficial. It has really motivated me to want to save money. It has given me insight into ways to save on unnecessary impulses and wants, and has motivated me to want to generate more income.”
“Being able to buy stuff for my daughter for school without having to stress about where I will get the money.”
“It has shown me that I can save to a goal a little at a time. The Relationship Manager has been very supportive and the whole program has given me a more positive outlook on managing my finances.”
“Saver Plus gave me the best opportunity to save up for something that my children really need for their education. And to learn so much about saving, budgeting, setting goals and lots more financial matters. And all this at no cost to me!”
“I learned a lot on regular savings plans. I looked at my financial situation more closely. The difference in needs and wants. First time ever I’ve had a savings account with a regular saving pattern and a balance of more than \$10.”

## 10.0 Effects and Benefits of the Program

<p>“I find it extremely difficult to save, as I have a large mortgage, three children and little maintenance, so it was nice to have the encouragement and understanding from an outside source.”</p>
<p>“It has made me aware that even a small amount of savings can grow into a larger amount. Also to think about what I’m spending my money on.”</p>
<p>“I have never felt alone during the program. The Relationship Manager has always been very informative and approachable especially at the workshop, which I enjoyed. Every week when I think about trying to find my deposit I’m inspired by the support the program provides.”</p>
<p>“I got so much more out of the program than I thought I would - support, advice, ideas, contacts. It was a fantastic help to me emotionally and financially.”</p>
<p>“The program has been run in a very friendly, non-threatening way. I have been encouraged and it has made me re-evaluate a few things in a positive way.”</p>
<p>“Since joining the program I’ve learnt a lot about saving and now I’m taking my kids to Queensland next year for a holiday. Something that would have taken years to save for. I’ve changed my way of spending. Now I know how to plan and accomplish my goals.”</p>
<p>“This course has taught my daughter and me how to save by paying yourself first.”</p>
<p>“I had not only acquired very valuable knowledge, but I was also supported all the way by all the people involved and helped me to finish in spite of having a very problematic situation arise along the way with my children.”</p>
<p>“I found the Saver Plus experience extremely educational as well as eye opening. I particularly found the spending journal to be of great value. If you can see what you have spent your money on in black and white you are much more careful and aware.”</p>
<p>“This was a great learning experience in a great relaxed atmosphere.”</p>
<p>“The facilitator was very engaging and professional in encouraging participants. Information received consolidated and expanded budgeting and saving skills.”</p>
<p>“I am still saving money. It taught me to be more careful and gave me a target to reach for.”</p>
<p>“This program has benefited my daughter in terms of the things the matched funds will provide for. Just as valuably it has introduced me to a rationale for planning and organising my saving habits. I will impress upon my children what I’ve learned.”</p>
<p>“Encouraged me to save on a regular basis. Did not miss one deposit.”</p>
<p>“Thoroughly enjoyed the program, learnt a lot on budgeting and saving. Interactions with other people in similar situations, ANZ reps and the RM. Makes back to school a stress free period, something to look forward too. However more training is required.”</p>
<p>“The opportunity to learn about my finances and discuss different aspects was a once in a life time experience. The RMs were all very knowledgeable and helpful and a lot of what I’ve learned will be for life and benefit the way my 3 children handle money.”</p>
<p>“I opened my savings account with ANZ years ago but was never able to keep my savings going. There was always something that had to be paid. Knowing that disciplining myself with saving meant I would be financially rewarded doubly was a huge incentive.”</p>
<p>“My daughter learned about small savings on a regular basis accumulating over time to achieve significant goals. The training modules, which she attended with me, gave her a much better idea on how to manage income and expenditure. A good start to her life.”</p>
<p>“I’ve always budgeted but the program has given me so much more experience because I’ve gained a savings pattern and learnt so much more to help make my life and my children’s life more comfortable by taking away the stress of financial concerns/stresses.”</p>
<p>It has given great encouragement to all my children as we struggle to pay off books etc. Just the knowledge somebody else cares about their education and is prepared to contribute has lifted all our faith. As a single mum, it’s raised my confidence too.”</p>

## 10.0 Effects and Benefits of the Program

### 10.1 Benefits gained from the program

The participants were asked to rate the benefits gained from the program on a scale from 0 (“No benefit”) to 3 (“Major benefit”). As shown in Table 46, the highest rating was observed for “Getting the matched funds”, closely followed by “Getting what we are saving for”. This is in contrast to the findings from the previous phase where it was found that developing a savings habit was on average perceived as a moderate to major benefit by the majority of the participants.

The top three benefits were: getting the matched funds (34.32%), getting what we are saving for (33%) and reduced stress about the school costs (27.72%). Thus, consistent with the findings in the previous phase we find evidence of the change in participants’ priorities during the program. In other words, whereas 80% of the participants were mainly motivated by the matched funds to join the program, by the end of the program only about 34% perceived it as being one of the top three benefits.

For many participants, this program has provided them with their first experience of ever achieving a savings goal. Table 47 shows that this experience has had a positive effect on themselves and their families. All families are of low income and living day-to-day is the experience of many with most having thought they were incapable of being able to put a little extra money towards a savings goal. Succeeding in saving has had a profound effect on some of the participants. Many participants have shared the saving habit with their family and all the focus groups included stories of how their children are now saving some of their pocket money or income from part-time jobs. Table 48 has a sample of some of the ways that achieving a savings goal has impacted the participants’ lives.

**Table 46: Rating and ranking of the benefits of the program**

	Mean rating	Rankings		
		Most important	Second most important	Third most important
Getting the matched funds	2.94	14.19%	7.26%	12.87%
Getting what we are saving for eg. computer, school supplies etc.	2.92	13.53%	11.22%	8.25%
Reducing my stress about how I was going to be able to pay for school costs	2.78	8.91%	10.56%	8.25%
Feeling satisfied with myself for being able to achieve this	2.76	2.97%	7.26%	5.28%
Feeling supported, that somebody cares enough to help me	2.71	2.64%	4.29%	6.60%
Developing a savings habit	2.65	13.86%	7.59%	12.87%
Being more aware of what I spend money on	2.52	6.60%	5.94%	5.28%
Being able to now teach my children about saving and financial matters	2.52	1.32%	8.25%	4.62%
Getting my finances organised	2.44	1.65%	2.97%	3.96%
Learning new ways to reduce my weekly budget	2.41	0.33%	4.95%	2.64%
Gaining confidence in handling my finances	2.40	5.28%	2.64%	2.31%
Feeling more in control of my life	2.32	4.62%	4.29%	3.63%
Knowing who to go to when I need help	2.20	1.65%	2.31%	1.32%
Learning about technical financial matters	2.19	3.30%	1.65%	2.31%
Meeting new friends who are facing similar challenges	1.94	0.99%	0.99%	1.98%

## 10.0 Effects and Benefits of the Program

**Table 47: Effect of savings achievement on participants' and their families' lives**

Very negative -3	-2	-1	Neutral 0	+1	+2	Very positive +3	Mean
0	0	0	1(2.3%)	1(2.3%)	8(18.2%)	34(77.2%)	2.70

**Table 48: Impact of savings achievement on participants' and their families' lives**

"It showed us that we can save."
"We now know how to save."
"We have a computer now like all the children's friends do. It makes them feel very good about themselves and that they are not left behind."
"My son commenced work in September 2005, and immediately decided to save for a car. He is only 13 and earns \$50 a week on a Saturday, but he has the saving incentive."
"My family now feels that we are able to achieve our goals and to look forward to the future instead of feeling left behind."
"Children more aware of money and its limitations and how important it is to save towards wants."
"Enabled us to buy a new computer. Was good for the children to see how I could save money. Was a great experience overall."
"All delighted with our achieving our goal and reaping the reward."
"My daughter started work part-time at Christmas and has saved too."
"Made me aware of the importance to save. I realised it is not that hard."
"Teaching my children how to save."
"Having proven that it can be done, the kids are now more aware of the benefits of having a goal and reaching it. Also that money in the bank builds up."
"It has given us all a better outlook on what we need and don't need."
"I now encourage the children to save by offering a similar matching system."
"Given us confidence to save and look forward to the rewards."
"I now know I can save and work towards a goal and my family benefits by this."
"Being able to think about what is needed and not what we want."
"We enjoyed the results/purchases. I felt good about myself. I now have employment, which brings security/savings."
"Got you out of that loop of forever worrying about money and where it is coming from."
"Made it easier for my daughter when she started school and also made us more responsible and smarter about saving/spending."
"If it wasn't for the Saver Plus program, I don't think I would have achieved what I did."
"Learnt to save and knowing that I could only access it at the end, therefore being able to save whereas before it was hard to."
"My kids have a much greater understanding about money and savings and are now positive about saving for what we want instead of being negative which leads to stress for me."
"It has given us a bit of security knowing we have some extra money put aside."
"Able to save properly and set goals."
"It is a relief to know there is money in the bank if it should be needed."

## 10.0 Effects and Benefits of the Program

Three months after the completion of the program and the purchase of the educational product or service for their child, the participants in the focus groups were asked if the product had made a difference to the child’s life and/or educational experience. While there is debate in the literature about criteria for use of the matched funds, the Saver Plus criteria stipulating

the use of the matched funds for educational purposes has had direct positive effects in Phase 1 and 2 of the pilot program. The vast majority of the participants reported that the purchase has had a very positive effect on the child’s life (see Table 49) and were happy with education as being the set goal.

**Table 49: Effect purchase/s have had on child’s life**

Very negative -3	-2	-1	Neutral 0	+1	+2	Very positive +3	Mean
0	0	0	1(2.3%)	1(2.3%)	5(11.4%)	37(84.1%)	2.77

**Table 50: Effect purchase/s have had on child’s life**

“She uses the computer daily for research and fun.”
“They can now do their school work.”
“We have a computer now like all the children’s friends do. It makes them feel very good about themselves and that they are not left behind.”
“He started at a better school, as I had the funds to purchase new uniforms, books etc. and his drum kit meant he has new friends and formed a rock band in school.”
“My son now feels that he’s able to achieve great things with his computer and the new uniforms and school equipment has boosted his self-esteem.”
“His own computer with a voice recognition program has made a huge difference to his learning.”
“Has made access to information and doing schoolwork easier while opening up the other computer to her 10 year old sister and her mum.”
“Enabled us to buy a new computer and keep the old one, so both children can use a computer and Internet at the same time. Less arguments as well over computer time.”
“Child has ready access to computer and camera, does not need to use someone else’s or try to access school equipment when needed.”
“[My daughter] needed a computer at home for year 12 so it has saved her time not having to study at school.”
“Has helped all my three children with their education eg. Use of Internet for school research.”
“We tell people we basically have received a free computer. However I do inform these people that it wasn’t that easy. That I did have to make changes in our life.”
“With the upgraded computer the software is now compatible with the school and it takes USB sticks rather than floppy disks. Publisher and PowerPoint are now compatible.”
“Helps with learning.”
“It has lessened the arguments between us over who needs the computer. It has given her more freedom to get assignments done and more confidence in herself.”

## 10.0 Effects and Benefits of the Program

“Gave her more independence.”
“Better shoes and more involved with the computer.”
“My daughter has become very creative using her computer camera etc. and recently handed in a magazine essay for school of excellent quality.”
“He didn’t have to worry about anything. All his books, uniforms and everything he needed to start High School were there.”
“My daughter is so happy that she is doing something great for her future.”
“I have been able to purchase without having to pay off and by doing this can save for other purposes.”
“He was very happy to be able to go and get a computer.”
“Never a day goes by without her using it. It also saves the family computer for mum to use.”
“Knowing that [my daughter] won’t miss out on things that I normally wouldn’t be able to afford.”
“She has everything she needs to fit in at Secondary College.”
“Being able to get everything they needed and so they didn’t feel left out because I couldn’t have afforded it otherwise.”
“Given my daughter more self esteem and confidence. She was happy with what she wanted.”
“They no longer have to go to the library, Internet cafe to do projects etc. They also appreciate having better quality clothes and shoes for school.”
“The tuition has enabled our eldest child to improve his marks and therefore gain more confidence in class, which means he is a happier child.”
“They were able to have some school clothing items we would not have normally bought.”
“Great. Helping with studies as we purchased a computer. Positive that we can purchase things for school.”
“My children can go to school with confidence in their appearance and also do homework and assignments with a lot more ease.”

## 11.0 Frankston Continuing Group (FCG)

The Frankston participants from 2004 (savings period 1) were given the opportunity to join the second savings period (2005) but with a reduced matched savings rate of 1:1. This provided a valuable opportunity to assess success rates with a lower matched savings rate. A total of 115 Phase 1 participants joined the second Saver Plus savings period but only 96 completed the program (19 withdrew during the program).

### 11.1 Demographics (FCG)

Consistent with the demographic characteristics of the Saver Plus participants in general, the majority of the Frankston continuing participants are aged 40 to 49 years (57%), female (94%) and sole parents (74%). The average number of children for this group was just over two children with the ages of dependent children and the age of the youngest child averaging around 12 and 10 years, respectively.

As shown in Table 52, all participants from this group are from English speaking backgrounds with 79% being Australian born. In terms of education, most of the participants held a TAFE or other qualification, which they attained after partial completion of school.

Consistent with the earlier findings on Frankston participants, the continuing participants are predominantly in part-time employment with an average monthly income of \$3,029. Unlike the new group from Frankston, these participants primarily rely on income from their paid employment.

**Table 51: Demographic characteristics (FCG)**

		n	%
Age	20-29	0	0
	30-39	36	37.89%
	40-49	54	56.84%
	50-59	5	5.26%
	60-69	0	0
Gender	Male	6	6.32%
	Female	89	93.68%
Family Type	Sole parent	70	73.68%
	Couple	25	26.32%
		Average	
Number of dependent children		2.40	
Average age of dependent children		11.67	
Age of youngest child		9.72	

**Table 52: Language, ethnicity and education levels (FCG)**

		n	%
Main language spoken at home	English	95	0
	English + Other	0	0
	Other	0	0
Country of birth	Australia	75	78.95%
	Other	20	21.05%
Indigenous Australians or Torres Strait Islanders		1	1.06%
Education levels	Part school	19	22.09%
	Part school + TAFE/Other qualification	28	32.56%
	Completed school	11	12.79%
	Completed school + TAFE/Other qualification	16	18.60%
	University	12	13.95%

## 11.0 Frankston Continuing Group (FCG)

Table 53: Employment and income figures (FCG)

		n	%
Employment status	Full time	10	10.53%
	Part time	53	55.79%
	Casual	24	25.26%
	Not employed (partner working)	8	8.42%
Partner's employment status	Full time	11	11.58%
	Part time	5	5.26%
	Casual	0	0.00%
	N/A - Sole parent	73	76.84%
	Not stated	6	6.32%
Primary source of family income	My paid employment	49	52.69%
	My self-employment	1	1.08%
	My partner's employment	12	12.90%
	Parenting payment (sole parent)	19	20.43%
	Newstart allowance	1	1.08%
	Disability support pension	4	4.30%
	Other	7	7.53%
Average monthly family income (after tax)		\$3,029.04	

### 11.2 Main motivation for joining the program (FCG Phase 1 and Phase 2)

As shown in Table 54, in the first phase of the program 94% of the Frankston continuing participants stated that their main motivation for joining the program was the opportunity to get the matched funds. In Phase 2, this proportion decreased considerably to around 72%, although for the majority (68%), the opportunity to get the matched funds was the main motivation for

joining the program in both phases. A total of 20% of continuing participants were motivated to join again because of the positive impacts on the family resulting from the first savings period and a smaller proportion of around 8% was influenced by the opportunity to get financial training and the desire to continue to learn how to save.

Table 54: Main motivation for joining the program (FCG)

Phase 2	Phase 1		Total
	The opportunity to get matched savings	The opportunity to get financial literacy training	
The opportunity to get matched funds	68.24%	3.53%	71.76%
The opportunity to get financial literacy training	1.18%	0	1.18%
To continue to learn how to save	5.88%	1.18%	7.06%
The experience of participating in the initial program	8.24%	0	8.24%
The impacts of the initial program on my family	10.59%	1.18%	11.76%
Total	94.12%	5.88%	100.00%

## 11.0 Frankston Continuing Group (FCG)

### 11.3 Money management and financial literacy (FCG)

#### Prior to Saver Plus (FCG)

In terms of basic financial behaviour prior to Saver Plus, Table 55 shows that the majority (84%) of the Frankston continuing participants were solely responsible for household money management. Approximately 74% reported that they always read their payslip and that they understand the information that it contains very well (85%). Only a small proportion indicated that they never read their payslip and all participants understand at least some of the information.

Most commonly, the participants reported that they only shop around 'a little bit' when selecting a financial product, with 26% of the group not doing any shopping at all. The majority check their bank statements fairly thoroughly and only 1.05% stated that they disregard the statement completely.

A large proportion of the group indicated that they closely monitor their expenses with the majority doing so without keeping written records. Around 27% of the continuing participants indicated that they keep written records and only 1% do not monitor their expenditure at all.

Table 57 compares the average scores on the four factors of financial literacy of the Frankston continuing group before they commenced Saver Plus with the scores obtained for the rest of the Phase 2 participants. As shown, the average scores of the continuing participants follow the same pattern whereby the highest average score is observed for day-to-day banking and the lowest for convenience banking. However, one-way ANOVA indicated that the scores on all four measures are significantly lower for the continuing group relative to the rest of the participants.

**Table 55: Basic financial behaviour prior to Saver Plus (FCG)**

		%
Responsibility for household money management	Yourself	84.21%
	Your partner	2.11%
	You and your partner jointly	13.68%
Do you read your payslip?	Always	73.68%
	Sometimes	23.68%
	Never	2.63%
Do you understand your payslip?	Very well	85.33%
	Some of it	14.67%
	Not much	0
	Not any	0

**Table 56: General money management (FCG)**

		%
Do you shop around for financial products?	A lot	12.63%
	A fair bit	24.21%
	A little bit	36.84%
	Not at all	26.32%
When you receive your bank account statements, what do you do?	Read and understand the information completely	33.68%
	Check the statements against your own records	28.42%
	Glance quickly at statement to see if anything odd stands out	32.63%
	Check the balance and file the statement	4.21%
	Disregard the statement	1.05%
How closely do you monitor your expenses?	I don't keep an eye on expenses at all	1.05%
	I keep my eye on expenses a bit	12.63%
	Without keeping written records I keep a fairly close eye	58.95%
	I use written records to keep a close eye on expenses	27.37%

## 11.0 Frankston Continuing Group (FCG)

Table 57: Financial literacy – FCG compared with new participants

	Frankston Continuing Group	New Participants
Day to day banking $F_{(1,342)} = 10.98, p < 0.05$	11.92	14.03
Convenience banking $F_{(1,330)} = 15.75, p < 0.05$	6.12	8.90
Investment and credit $F_{(1,325)} = 6.59, p < 0.05$	7.83	9.56
Cards $F_{(1,322)} = 10.28, p < 0.05$	8.45	10.59

### 11.4 Use of financial products (FCG)

Upon their completion of the second phase of the program, the Frankston continuing group were asked to specify if their use of any financial product had changed since the time they first joined the Saver Plus program. As shown, the most frequently used products were ordinary bank accounts, vehicle insurance and house and contents insurance with the majority indicating that their use of these products either increased or stayed the same since Saver Plus. Encouragingly, 16% of individuals stated

that they have taken up superannuation to a greater extent since their participation in Saver Plus. Interestingly, 12% reported an increase in usage of personal loans which could signal a greater level of engagement with mainstream financial services or greater levels of financial stress on the family. Smaller proportions of participants reported increased use of some of the less commonly held products such as shares, investment property and a lease or hire purchase agreement.

Table 58: Financial products used prior to Saver Plus and changed use post-Saver Plus (FCG)

	Do not use	Use less	Use same	Use more
Ordinary bank account with a bank, building society or credit union	1.08%	3.23%	66.67%	29.03%
Vehicle insurance	47.31%	0	48.39%	4.30%
Superannuation	18.28%	0	65.59%	16.13%
House or contents insurance	35.48%	0	62.37%	2.15%
A home mortgage	31.18%	1.08%	63.44%	4.30%
A personal loan	63.44%	0	24.73%	11.83%
Private health insurance	67.74%	1.01%	30.21%	1.04%
Shares	88.17%	1.08%	9.68%	1.08%
Managed investments other than superannuation	87.10%	0	12.90%	0
A lease or hire purchase agreement	94.62%	0	3.23%	2.15%
Term deposits	92.47%	1.08%	6.45%	0
An investment property	89.25%	2.15%	6.45%	2.15%

## 11.0 Frankston Continuing Group (FCG)

### 11.5 Saving behaviour prior to Saver Plus (FCG)

Prior to their commencement of the first phase of the program, the majority (82%) of the Frankston continuing participants reported that they either saved regularly (50%) or sporadically (32%). Approximately 18% stated that they did not save anything at all. The most commonly saved amount was between \$200 and \$599, with the majority stating that they have less than \$600 in savings.

When asked about their saving and spending behaviour prior to the program, the majority (54%) of this group stated that they tried to save on a regular basis when they could but 27% felt that there was no point in trying to save and a further 2% did not think that saving was important. The remaining 17% indicated that they only saved when they had a specific goal. As shown in Table 59, 26% of participants stated that they spend all their

income as they get it and 13% generally felt out of control with their borrowing and credit. The majority however, believed that they could manage for a period of time if they had a major loss of income and 33% stated that they have problems setting money aside for major outlays. Only a small proportion of 8% had worked out how much they need for retirement.

**Table 59: Saving behaviour and attitude toward saving prior to Saver Plus (FCG)**

		n	%
Prior savings pattern	Save something from each pay	46	49.46%
	Sometimes save but not regularly	30	32.26%
	Don't save anything	17	18.28%
Prior savings level	Less than \$50	21	23.33%
	\$50 - \$199	10	11.11%
	\$200 - \$599	28	31.11%
	\$600 - \$999	8	8.89%
	\$1000 - \$2999	16	17.78%
	\$3000 - \$4999	6	6.67%
	\$5000 or more	1	1.11%
Behaviour prior to joining Saver Plus (Phase 1)	Tried to save on a regular basis when I could	51	53.68%
	Saved only when wanted something big or special	16	16.84%
	No point in trying to save, not enough money	26	27.37%
	Saving not something I thought was important	2	2.11%
	I spend all my income as I get it	25	26.32%
	I generally feel out of control with my borrowing and credit	12	12.77%
	If I had a major loss of income I could manage for a period of time	66	69.47%
	I have problems setting money aside for major financial outlays	31	32.98%
	I have worked out how much I will need to save for my retirement	8	8.42%
	I have a long-term financial plan	20	21.28%

## 11.0 Frankston Continuing Group (FCG)

### 11.6 Saving behaviour during Saver Plus (FCG)

#### Items saved for (FCG)

The range of items that the Frankston continuing group indicated they were saving for was similar to that of the rest of the participants and included computer accessories, general school expenses such as camps, music instruments and fees and uniforms. Table 60 provides the list of items actually purchased at the end of the program. Because most of the participants would have purchased computers in the previous phase, there was less demand for computers this time around and more funds were spent on uniforms, books and subject costs.

#### Savings goals (FCG)

The continuing participants were on average aiming to save more during the second phase of the program with the average initial goal rising from \$924.50 to \$944.50. In Phase 2, 85% were aiming to save \$1,000 compared to the 80% in the previous phase. For the majority, the savings goal stayed the same throughout the program, although 9% of participants either increased (4%) or decreased (5%) their goal during the saving

period. As shown in Table 61, the new savings goals ranged from less than \$499 to over \$1000, with 80% of participants aiming to save \$1,000 or more.

In comparison to the first phase, a smaller proportion of the continuing participants met or exceeded their goal in the second phase. Overall, 90% of participants were successful in achieving their goal in this phase compared to the 96% in Phase 1. However, the proportion of individuals who exceeded their target amount was actually higher this time around, rising by 10 percentage points from 29% to 39%. Those participants who did not succeed in meeting their goal in the first phase of the program were more likely not to succeed in the second phase as well. As shown in Table 62, 50% of those who experienced difficulties in achieving their goal the first time did not succeed in this phase either. On the other hand, the participants who had saved more than they had originally intended to in the previous phase were also significantly more likely to exceed their savings goal in the second phase of the program.

#### Items purchased (FCG)

Table 60: Items purchased (FCG)

Items purchased	Total
Bags/backpacks	2
Books	55
Calculator	2
Computer accessories	18
Computers and laptops	9
Furniture	1
Internet subscription	1
Music lessons	2
Musical instruments	1
Other equipment (art/drama)	1
Other equipment (camera)	2
School camp	11
School photos	1
Shoes	23
Sport (extra curriculum)	5
Sports equipment	2
Stationery	28
Subject costs	39
TAFE fees / VET	10
Transport	2
Uniform (school)	42
Varied school costs, including VET (books, camps, excursions, stationery etc.)	10
Total	267

## 11.0 Frankston Continuing Group (FCG)

**Table 61: Initial and new savings goals (FCG)**

Goal	Initial	New
\$499 or less	3.13%	4.17%
\$500-\$599	2.08%	3.13%
\$600-\$699	3.13%	4.17%
\$700-\$799	4.17%	5.21%
\$800-\$899	0	1.04%
\$900-\$999	2.08%	2.08%
\$1000	85.42%	78.13%
More than \$1000	0	2.08%

### Monthly deposits, final balances and patterns of saving behaviour (FCG)

As shown in Table 63, the Frankston continuing group officially began saving in the month of January 2005, because of their participation in Phase 1 of the program up until December 2004. In comparison to the rest of the Phase 2 participants, the average monthly amount deposited by this group fluctuated considerably across the saving period, particularly in the last 4-5 months. However, the average number of deposits made across the 12 months was fairly constant at around 2 deposits per month.

As illustrated by the average monthly ratio, the deposits made by the continuing group were on average predominantly higher than the implied monthly goals. In most months, the majority of the amounts deposited exceeded the implied target amount which is illustrated by the percentage of 'above goal' deposits.

However, in the case of the Frankston continuing group, these results have to be interpreted with extreme caution given that by the time they entered the saving period, they had already been using their Progress Saver Account for saving or other purposes. As a result, the balances constructed for the purpose of this analysis may not be representative of the actual balances of this group, in which case the average ratio may not be a reliable measure of consistency.

In line with the analysis performed for the new Phase 2 participants, Table 64 contains the results of the patterns of saving behaviour for the Frankston continuing participants. As shown, around 30% of individuals in this group can be classified as either consistent or consistent/variable savers, which is to say that they never missed a deposit and had no withdrawals. The majority (60%) however, made at least one withdrawal during the course of the program, which is to be expected given that their savings from the previous phase were kept in the same account. Around 10% of the continuing participants saved sporadically, in the sense that they missed at least one deposit during the course of the program.

The average final balance for this group was found to be \$1,227.55. However, for the reasons mentioned earlier, this estimate might be problematic. As shown in Table 64, the average final balance was found to vary significantly across the different saver categories although not in the manner that would be expected. As can be seen, the sporadic savers were on average associated with the highest final balances, whereas those who saved consistently had the final balances that were significantly lower. Although counter-intuitive, this pattern is consistent with that found in the previous phase of the program.

**Table 62: Goal attainment in Phase 1 compared with Phase 2 (FCG)**

$\chi^2_{(4)} = 10.63, p < 0.05$ Phase 2	Phase 1			Total
	Did not meet goal	Met goal	Exceeded goal	
Did not meet goal	50.00%	6.78%	7.41%	8.89%
Met goal	50.00%	55.93%	44.44%	52.22%
Exceeded goal	0	37.29%	48.15%	38.89%

## 11.0 Frankston Continuing Group (FCG)

**Table 63: Progress of recruitment and monthly deposits (FCG)**

	Number of participants	Average deposit	Average no. of deposits	Average (deposit/goal) ratio	No deposit %	Below goal %	Equal to goal %	Above goal %
Jan-05	96	\$73.57	1.57	.92	15.05%	47.31%	2.15%	35.48%
Feb-05	96	\$86.17	1.78	1.11	8.60%	41.94%	2.15%	47.31%
Mar-05	96	\$94.64	1.90	1.30	9.68%	35.48%	1.08%	53.76%
Apr-05	96	\$96.73	1.79	1.36	9.57%	34.04%	4.26%	52.13%
May-05	96	\$125.70	1.93	1.62	8.51%	29.79%	8.51%	53.19%
Jun-05	96	\$96.10	1.78	1.18	6.52%	29.35%	11.96%	52.17%
Jul-05	96	\$101.84	1.82	1.29	7.61%	31.52%	13.04%	47.83%
Aug-05	96	\$135.14	2.08	1.44	4.44%	27.78%	10.00%	57.78%
Sep-05	96	\$143.81	2.13	1.83	3.37%	23.60%	5.62%	67.42%
Oct-05	96	\$114.02	1.95	2.19	2.38%	22.62%	5.95%	69.05%
Nov-05	96	\$180.38	1.94	3.75	5.71%	27.14%	4.29%	62.86%
Dec-05	96	\$152.54	1.79	3.33	8.00%	22.00%	14.00%	56.00%

**Table 64: Patterns of saving behaviour and average final balance (FCG)**

	n	%	Average final balance
Consistent (No withdrawals, did not miss a deposit, deposits made with a standard deviation of less than \$10)	2	2.08%	\$724.8
Consistent/Variable (No withdrawals, did not miss a deposit, deposits made with a standard deviation of more than \$10)	27	28.13%	\$1,252.16
Withdrawers	57	59.38%	\$1,110.26
Sporadic (Missed one or more deposits)	10	10.42%	\$1,918.39

## 11.0 Frankston Continuing Group (FCG)

### Comparison of variability in deposits with Phase 1 (FCG)

Figure 9 illustrates the differences in variability in the deposits made by the continuing participants in the two phases of the Saver Plus program. As can be seen, in Phase 2 there is higher incidence of deposits that are considerably higher or lower than the average deposits made by the participants during the course of the program. In the first phase, 25% were depositing amounts that deviated around their average deposit by up to 47%. However, in Phase 2, the same proportion of individuals were depositing amounts that were on average up to 77% above or below their average deposit. Thus, there is evidence that the continuing participants were in fact saving more consistently during the first phase of the program.

### Difficulties in saving (FCG)

Around 27% of the continuing participants reported experiencing difficulties in saving during the second phase of the program. Table 65 provides a list of the most common causes of difficulty. For those who reported having problems, the most frequent source of difficulties were the unexpected bills (52%), followed by major illness, either their own or of another family member (32%). Most commonly, the participants still managed to meet their savings goal each month (36%). However, 32% stated that they either had to miss a deposit that they were not able to compensate for, or that they had to withdraw some money from their Progress Saver Account.

Figure 9: Variability in individual deposits (FCG Phase 1 & Phase 2)

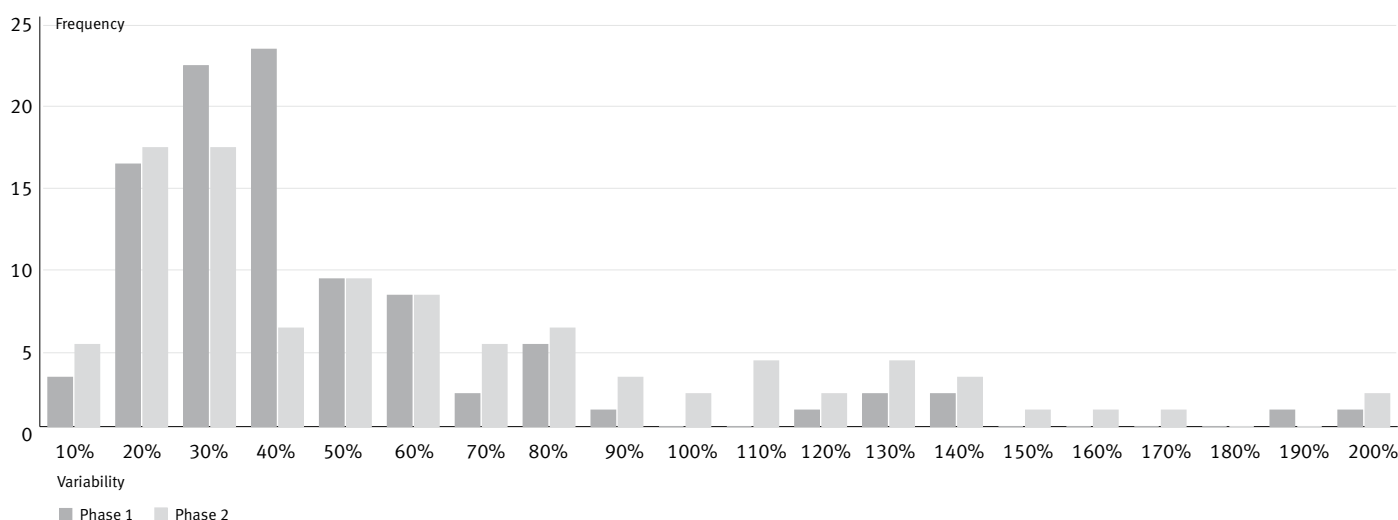


Table 65: Difficulties in saving (FCG)

	%	Example	n	%
Difficulties	26.88%	Complete loss of employment for yourself or another household member	7	28.00%
		Reduced hours of employment for yourself or another household member	5	20.00%
		Minor illness of yourself or another family member	4	16.00%
		Major illness of yourself or another family member	8	32.00%
		Death of a family member or close friend	3	12.00%
		Unexpected bills	13	52.00%
		Relationship breakdown	3	12.00%
How did this difficulty affect your savings?		I still managed to meet my savings goal each month	9	36.00%
		I could only deposit a smaller amount	0	0
		I had to miss one/some deposits but made them up later	8	32.00%
		I had to miss one/some deposits and wasn't able to make up	4	16.00%
		I had to withdraw some money	4	16.00%

## 11.0 Frankston Continuing Group (FCG)

### Making deposits (FCG)

As seen in Table 66, the most common method used by the continuing group for making the deposits was cash (47%), followed by direct debit (26%) and transfers from another account (16%). Once again, only a small number of individuals used either Autopay (9%) or Centrepay (2%). Interestingly, the proportion of this group making cash deposits is approximately 10 percentage points less than the rest of the Saver Plus participants in the Phase 2 period. Accordingly, the proportion of the continuing group using direct debit is about 15 percentage points higher than that of the rest of the Saver Plus participants in this savings period.

It is also interesting to note changes in how this group made their Saver Plus deposits across Phase 1 and Phase 2 of the program. For the purpose of this comparison we think about three broad deposit methods: (1) cash deposits at the bank; (2) automatic payments from income (either Autopay or Centrepay); and (3) payments from another bank account (either by transfer or direct debit means). The breakdown on the use of these payment methods is reported in Table 67.

The results show a reduction in the use of cash deposits and automatic payments from income, and an increase in transfers and direct debits from other bank accounts when comparing across the two phases of the program. These differences are found to be statistically significant using the  $\chi^2$  test.

### 11.7 Main motivation to save and comparison of experiences across the two phases (FCG)

Although for the majority of the Frankston continuing participants the matched funds were still the main driver behind their desire to save, a considerable proportion of 49% reported that it was the financial literacy and the past experience in the Saver Plus program that motivated their saving behaviour (see Table 68). This shows a considerable change in attitude for the Frankston continuing group since Phase 1. In the first savings period nearly all (94%) of the participants in this group were motivated by the opportunity to access the matched savings.

**Table 66: Banking methods used for saving (FCG)**

		n	%
How were your monthly deposits made?	Cash deposits at the bank	44	47.31%
	Automatic deductions from my salary (Autopay)	8	8.60%
	Automatic deductions from my Centrelink payments (Centrepay)	2	2.15%
	Transfer from another account	15	16.13%
	Automatic deductions from my bank account (direct debit)	24	25.81%

**Table 67: Methods of making deposits (FCG)**

	Phase 1	Phase 2
Cash deposits at bank	51.09%	46.74%
Automatic payment: Autopay and Centrepay	18.48%	10.87%
Other bank account: Transfer and Direct Debit	30.43%	42.39%

## 11.0 Frankston Continuing Group (FCG)

**Table 68: Main motivation to save during the program (FCG)**

	n	%
I wanted the matched funds	46	51.11%
The financial literacy training helped me to learn to save	5	5.56%
My past history of savings in Phase 1 of Saver Plus	39	43.33%

**Table 69: Comparison of experience to first savings period (FCG)**

		%
Compared with your experience in the first phase...	It was easier to save	39.78%
	About the same in ease in saving	50.54%
	It was more difficult to save	9.68%
	My savings pattern was about the same	55.91%
	It was easier to save a set amount on a regular basis	41.94%
	It was easier to save money left over after expenses	2.15%

**Table 70: Planned saving behaviour post-Saver Plus (FCG)**

	n	%
Yes, I think I should be able to save even more	22	23.66%
Yes, I should be able to keep saving the same amount	54	58.06%
Yes, but a smaller amount each month	15	16.13%
No, I don't think I'll be able to save regularly	2	2.15%

When asked to compare their Phase 2 saving experience with that in the first phase, Table 69 shows the large majority reported that they found it just as easy (50%) or even easier to save (40%) in this phase of the program. Around 10% of participants stated that it was more difficult to save this time around. Over half of the participants (56%) believed that their savings pattern was the same in both phases of the program, whereas 42% felt that this time it was easier to get in the habit of saving a set amount regularly. Only a small proportion indicated that, compared with the first phase, it was easier not to spend the leftover funds from their income.

### 11.8 Planned saving behaviour post-Saver Plus (FCG)

When asked about their saving intentions after Saver Plus, Table 70 shows that the majority indicated that they should be able to either keep saving the same amount (58%) or save even more (24%). A smaller proportion stated that although they are planning to continue saving, they will aim to save a smaller amount each month. Only two individuals felt that they wouldn't be able to save regularly.

### 11.9 Financial education for Frankston continuing group

Because the Frankston continuing group had already completed the Saver Plus financial education modules in the previous saving period, the requirement for the compulsory financial literacy training was to complete at least one MoneyMinded workshop. MoneyMinded is a general financial education program designed to help people make informed decisions about the use and management of their money. The development of the MoneyMinded program was initiated and funded by ANZ with advisory contributions from the community sector and education experts, including the Australian Financial Counselling and Credit Reform Association. MoneyMinded is comprised of six topics with each topic containing a number of workshops (see Table 71). The most popular workshop chosen by the participants was 'When paying is difficult' within the 'Living with debt' topic.

## 11.0 Frankston Continuing Group (FCG)

Table 71: Attendance per MoneyMinded workshop (FCG)

<b>Planning &amp; saving</b>	<b>No.</b>	<b>Easy payments</b>	<b>No.</b>
Goals	18	How money works	0
Saving and spending	1	How would you like to pay	1
Money planning	0	Money providers	0
<b>Understanding paperwork</b>	<b>No.</b>	<b>Living with debt</b>	<b>No.</b>
Types of paperwork	5	Debt	0
Bills, bills, bills	3	Recovery plan	0
Read the fine print	24	When paying is difficult	31
<b>Everyday banking &amp; financial products</b>	<b>No.</b>	<b>Rights &amp; responsibilities</b>	<b>No.</b>
Intro to everyday banking	3	Golden rules	21
Understanding credit	13	The hard sell	21
		Your right to complain	21
<b>Total number of attendees*</b>			<b>162</b>

\* Includes those who attended multiple workshops.

(Note: MoneyMinded content has been revised for 2006, the above workshops and topics reflect the previous version)

Even though the participants may have only attended one workshop, they were requested to complete a brief evaluation on the usefulness of each workshop. Table 72 shows how the participants rated the perceived usefulness of the workshops they attended. Comparisons across workshops are not possible because participants were only required to attend one workshop.

## 11.0 Frankston Continuing Group (FCG)

**Table 72: Participant rating of usefulness of individual MoneyMinded workshops (FCG)**

Topic	Module	Not at all useful	Not very useful	Somewhat useful	Useful	Extremely useful
Planning and saving	Goals	0	0	2	8	8
	Saving and spending	0	0	0	0	1
	Money planning	N.A.	N.A.	N.A.	N.A.	N.A.
Easy payments	How money works	N.A.	N.A.	N.A.	N.A.	N.A.
	How would you like to pay	0	0	1	0	0
	Money providers	N.A.	N.A.	N.A.	N.A.	N.A.
Understanding paperwork	Types of paperwork	0	0	2	2	1
	Bills, bills, bills	0	0	1	1	1
	Read the fine print	0	0	1	11	12
Living with debt	Debt	N.A.	N.A.	N.A.	N.A.	N.A.
	Recovery plan	N.A.	N.A.	N.A.	N.A.	N.A.
	When paying is difficult	0	1	12	8	10
Everyday banking and financial products	Introduction to everyday banking	0	0	0	1	2
	Understanding credit	0	1	1	5	6
Rights and responsibilities	Golden rules	0	0	6	8	7
	The hard sell	0	0	6	5	10
	Your right to complain	0	0	1	5	15

**Table 73: Most liked aspects of the MoneyMinded workshops (FCG)**

“All was very informative.”
“Consolidation – learned some new ways to stretch money. Facilitator was interesting and informative. Involved group – interactive – peer education – also can refer myself to her in future for support.”
“I found it very useful.”
“I think all information was useful.”
“Collective information.”
“Debt collections.”
“Discussions about offering less money on an outstanding debt.”
“Everyone’s experiences, information on what to say to sales people and the socialising.”
“Financial discussions.”
“Finding out about financial counsellors, finding out you might be able to pay a debt for a lesser amount if paid in lump sum.”
“Hints and information on various ways of negotiating payment of debt.”
“How to deal with pressure salespeople.”
“Information and ideas.”
“Interesting discussions.”
“It was all very useful.”
“Other people’s ideas.”
“People’s ideas of not getting into debt in the first place.”
“Sharing our experiences about debt.”
“Sharing life experiences with others - and receiving the calculator.”
“What creditors can and can’t do.”

## 11.0 Frankston Continuing Group (FCG)

**Table 74: Suggestions for MoneyMinded program improvement (FCG)**

“Toys for kids, more child friendly venue.”
“I would have liked it to have covered the topic in a little more depth.”
“Include superannuation.”
“Maybe a talk from a financial institution could be incorporated eg. ANZ, CBA.”
“More activities/discussion.”
“More advertising on up-coming workshops to get more people interested in attending.”
“More discussion/interaction.”
“Include how to go about making a complaint.”
“More handouts – information that was read to us.”
“More participants so as to hear a wider range of views and experiences.”
“More practice at doing budget cuts – different circumstances (short-term, long-term).”
“Smaller groups.”
“Not too much needless chatter about personal problems.”
“Let everyone have an equal chance to be heard.”
“Larger room.”
“Split the session over 2 nights.”
“Perhaps a spokesman from the bank could answer the harder finance questions or do a presentation.”
“Perhaps someone from the industry to answer tricky questions.”
“Rights for retail shopping. Specific examples of consumer rights.”
“To have more participants participating, less paperwork, especially evaluation.”

The participants generally found the workshops to be valuable and relevant to their needs. Following in Table 73 are some qualitative responses about what the participants liked best about the MoneyMinded education component of Saver Plus.

The evaluation included an opportunity for the participants to provide feedback on how the program could be improved. Table 74 includes some of the suggestions.

## 11.0 Frankston Continuing Group (FCG)

Nearly all the participants (96.9%) were satisfied or very satisfied with the range of topics provided in the education program (see Table 75) but were again asked if there were any other topics they would be interested in learning more about in the future. Table 76 gives examples of some of the suggestions. There is a considerable demand for more information on superannuation and other long-term financial products.

Overall, the Frankston continuing group were satisfied (48.1%) or very satisfied (46.8%) with the MoneyMinded program (see Table 77).

**Table 75: Satisfaction with the range of topics and information provided (FCG)**

Very unsatisfied -3	-2	-1	Neutral 0	+1	+2	Very satisfied +3	Mean
0	0	1(1.0%)	2(2.1%)	5(5.2%)	44(45.4%)	45(46.3%)	2.34

**Table 76: Suggested topics to be included in future (FCG)**

“Anything to do with credit.”
“Baycorp Credit Advantage, and how they place default, and how to remove default.”
“Possible low cost investments.”
“Budgets.”
“What rights we have.”
“Cooling off for other items.”
“Financial planning.”
“How to budget effectively.”
“How to get rid of one’s credit cards.”
“How to wisely invest monies (government bonds etc.)
“Could include taxation purposes and how to select an energy provider.”
“Investments/superannuation.”
“Making our own money work best.”
“More detailed examples eg. loan calculations.”
“Include how to go about making a complaint.”
“More information about small print and understanding the jargon.”
“More on banking, account fees and interest fees, rates on credit.”
“Places to ring/people to speak to for information on insurance, banking options etc.”
“Planning for the future, superannuation.”
“Superannuation and continuing discussion groups for support and knowledge on financial strategies.”
“Superannuation and savings.”
“Superannuation choice information.”
“Superannuation for single parent families.”
“Superannuation, GST.”
“Ways to look at investing money.”

**Table 77: Overall satisfaction with the MoneyMinded program (FCG)**

Very unsatisfied -3	-2	-1	Neutral 0	+1	+2	Very satisfied +3	Mean score
0	0	0	4(5.1%)	8(10.4%)	29(37.7%)	36(46.8%)	2.26

## 11.0 Frankston Continuing Group (FCG)

### 11.10 Impact of the program (FCG)

#### Overall experience and impact of Saver Plus (FCG)

The majority of the Frankston continuing participants (71%) recorded a most positive rating when asked about their overall experience in Saver Plus. Only one participant reported a negative experience and two participants were neutral. As can be seen in Table 78, an overwhelming majority of 97% stated that their overall experience with Saver Plus was positive.

When asked how their experience of the second phase compares with that from the first, 95% reported that it was either “about the same” or “more positive”. As can be seen from Table 79, only five individuals who had previously reported either positive (1) or very positive experience (4) stated that this time around their experience was less positive.

The impacts of the program for the Frankston continuing group were similar to that of the new participants. Many felt that having the opportunity to participate in the program for a second time helped their savings efforts by reinforcing the knowledge and skills acquired in the first phase. Some found it easier than the first year, and others felt that they might have become complacent in the year following the first period if it were not for the support and structure of the program. As with the first savings period, the opportunity to attend a class with others in the program was of great benefit.

**Table 78: Participants’ rating of their overall experience in the program (FCG)**

Very negative -3	Negative -2	Somewhat negative -1	Neutral 0	Somewhat positive +1	Positive +2	Very positive +3	Mean score
0	1(1.1%)	0	2(2.2%)	4(4.3%)	20(21.5%)	66(71.0%)	2.58

**Table 79: Comparison of overall experience with previous phase of the program (FCG)**

	How would you compare your overall experience to the previous phase of the program?				
		About the same	More positive	Less positive	Total
How would you rate your overall experience in the Saver Plus program?	Somewhat Positive	1	0	0	1
	Positive	11	3	1	15
	Very positive	56	16	4	76
Total		68	19	5	92

## 11.0 Frankston Continuing Group (FCG)

**Table 80: Overall experience and impact of the program (FCG)**

“Making a commitment to save consistently and to then receive the benefit of having those funds matched. Being able to have the available funds to provide my children with opportunities in education, which I would not have had the funds to do so.”
“Lucky to have the opportunity to participate for a second year.”
“Just felt the whole program was very helpful and positive.”
“Regular savings. Matched savings. Education. Fabulous facilitator. Contact with others in similar circumstances.”
“It was much easier than the first year.”
“Always find it helpful to get financial training. Friendly staff makes it a joy to participate as well.”
“Makes you get into a habit to save weekly.”
“The assistance I have received has been fantastic from personal financial relief to mental strain relief. The Relationship Manager and those who have assisted have been most approachable, understanding and helpful throughout my two year association with them.”
“If I didn’t get involved with Saver Plus I wouldn’t be able to pay school fees and I have been able to borrow money for a fridge and a car.”
“Continued support through the year. It was good to get together as a group with other participants from last year. A few problems I encountered last year when trying to purchase some items seem to have been addressed and should make the purchasing easier.”
“I know I probably would find it difficult to save if it had not been for the Saver Plus program. It is such a relief to know that at the end of the year there is some money for the children’s education.”
“The incentive of reaching matched savings was a morale booster and truly an incentive to have good saving habits. I am ‘over the moon’ about my savings. Knowing when the Christmas season is on the school fees and bills are taken care of - no stress.”
“I learnt a lot from the people in the group and the counselling staff. The Relationship Manager was wonderful both times.”
“Some of the information was common sense but a lot of the information was very interesting and I didn’t know about lots of the organisations that are out there to help and advise you.”
“Due to learning more about myself and my financial issues, addressing budgeting and saving.”
“The program was excellent. It helped me with saving a certain amount each week, which added up to a good amount. Matched savings offered was good.”
“What a boost to help us develop long forgotten habits of saving. It’s so motivating to watch your money grow.”
“The program has continued to give me an incentive to put away savings which helps over the Christmas and start of school year period when expenses are high. I intend to continue saving on a monthly basis when the program finishes as it has become a good habit.”
“Motivated me to continue a regular savings pattern. Kept me focused on the family’s financial status.”
“I find that each week when I deposit the money that I’m saving just seems to add up quickly and I find myself saying to myself, “This is great. I can save money.”
“Helpful, getting information from others at meetings. Sharing ideas, getting contact phone numbers for different departments in the local area.”
“Has really helped me to get in control financially.”
“By doing this program our budget is 90% better than before and the experience is very good.”
“It’s a great program and it has really inspired me to save for my children’s education.”
“It has helped me to get a positive attitude to saving and setting goals and being able to achieve them.”
“It has taught me that saving just \$20 a week can add up quickly. Things I thought I could not afford I now can. I plan ahead now with my saving. I treat my saving like a bill and put money in the bank weekly. I will continue doing this as my budget.”
“It has taught me the importance of consistent saving and by putting a little away each week soon mounts up.”
“Aside from the initial bonus of matched savings I am now motivated to keep ahead of my children’s school costs in the future. I have had much less stress in January 2005 and will also have a more relaxed January 2006.”

## 11.0 Frankston Continuing Group (FCG)

“The program helped me to put money aside regularly for specific purposes i.e. education for my son. Intend to keep saving a specific amount every month towards my son’s education. It has made the beginning of the school year a lot easier for our family.”
“I’m feeling far more organised with our savings plan - well we’re actually budgeting now.”
“As a sole parent the financial assistance for my son during his VCE years has been crucial.”
“I have continued to save month by month which has become a regular routine now.”
“Saving is now just a habit. I don’t really even think about it.”
“It reinforced the commitment to saving. The first year is always easy. The second year is when you get complacent.”
“Given the chance to receive matched funds (up to \$1000) motivated me to consistently put aside money fortnightly and I know I will continue to do so once the program has stopped.”
“Being able to give my children more educational and sporting opportunities as I could save some money.”
“Made life less chaotic for myself and my child. Decreased stress in the household and the transition to high school by being financially prepared. Increased child’s self esteem which was a priority. Improved our relationship by giving us choices.”
“I was committed to saving a regular amount every week and this enabled me to receive the matched funds at the end of the year which was much needed. First year I was saving \$15 per week, second year \$20 per week and this year, \$25 a week.”
“It was a wonderful experience and a fantastic opportunity. Thanks to the program my daughter has been able to continue her education and is now studying year 12 and will be attending uni next year, studying teaching.”
“Saver Plus program has helped me learn how to save and made it easier to get my children back to school.”
“The Relationship Manager and the various staff from the ANZ were very helpful. Instead of feeling like a ‘pensioner’ I felt like a winner - a contributor to my family and a part of society.”
“This has really taught me to ‘pay myself first’. I am going to keep saving every year, as I have for the previous two. Thank you.”
“To be able to save for a second year and still be eligible for matched savings was an unexpected and wonderful bonus. It also made me feel that I wasn’t completely alone in my financial battle - that someone cared. I also felt proud of my achievement.”
“It was great to have the support of the staff of Saver Plus, to be able to participate in the information sessions as a guide and follow-up and know that we were achieving a level of savings that would take the money burden off our shoulders.”
“Having learned most of the skills last year it is good to have another go at using them, and any incentives help to stick to budget.”
“I found the program to be a great help in starting my oldest child at high school. I didn’t realise it would be so expensive. The matched funds enabled her to join the school computer program, and the \$1000 I saved helped with school fees, uniforms etc.”
“It has helped enormously in improving my children’s education choices.”
“Having savings put aside in addition to the matched savings makes this financially challenging time of the year (Christmas and beginning of school year) much easier.”
“The direct debit saving teaches you to save so expenses such as school etc. are not such a big drama when they come up.”
“Much easier second time in a better routine of saving.”
“I have been able to save a certain amount of money per week to reach an end goal. I have been unable to do this until I joined the program.”
“I have learned the value of saving, and that it is easy to save when you don’t see the money i.e. a direct debit from one account to the Progress Saver Account.”
“I am thrilled at the opportunity to achieve such a substantial result both for the family (via new computer) and also to consistently be able to save. After so many years, I now find myself with some money in the bank.”
“I learned a lot about how to save, priorities with bills etc. and the relief of the extra money!”

## 11.0 Frankston Continuing Group (FCG)

When asked to rate the benefits from the program (from 0 – no benefit to 3 – major benefit), the highest rating for the Frankston continuing group was received for “getting the matched funds”, “getting what we are saving for” and “reducing my stress about how I was going to be able to pay for school costs”, respectively (see Table 81). This is consistent with our findings regarding the new participants in this second phase of the program. These were also found to be the top three benefits reported, with

“reducing stress” associated with the school expenses being most commonly (53%) specified as one of the top three benefits. Only around 43% of the continuing participants had “getting the matched funds” in their top three benefits, compared to the 70% who had initially stated that their main motivation for joining the program was the opportunity to access matched funds.

**Table 81: Benefits from the program (FCG)**

	Mean rating	Rankings		
		Most important	Second most important	Third most important
Getting the matched funds	2.90	23.96%	14.58%	12.50%
Getting what we are saving for eg. computer, school supplies etc.	2.90	15.63%	17.71%	9.38%
Reducing my stress about how I was going to be able to pay for school costs	2.81	12.50%	21.88%	18.75%
Feeling satisfied with myself for being able to achieve this	2.61	1.04%	4.17%	11.46%
Developing a savings habit	2.57	13.54%	10.42%	14.58%
Feeling supported, that somebody cares enough to help me	2.53	3.13%	1.04%	6.25%
Being more aware of what I spend money on	2.30	6.25%	7.29%	3.13%
Getting my finances organised	2.26	2.08%	4.17%	6.25%
Being able to now teach my children about saving and financial matters	2.22	0.00%	3.13%	3.13%
Feeling more in control of my life	2.20	3.13%	4.17%	6.25%
Gaining confidence in handling my finances	2.13	8.33%	2.08%	1.04%
Knowing who to go to when I need help	2.10	2.08%	1.04%	2.08%
Learning new ways to reduce my weekly budget	2.05	0.00%	2.08%	1.04%
Learning about technical financial matters	1.72	3.13%	2.08%	1.04%
Meeting new friends who are facing similar challenges	1.61	2.08%	1.04%	3.13%

## 12.0 The Iraqi Group (IG)

The second savings period for Shepparton included a group of 34 Iraqi participants. Although Saver Plus was not specifically targeted at multi-cultural populations, a member of the Iraqi community had approached Berry Street Victoria at the beginning of the second savings period expressing interest on behalf of the Iraqi community in participating in the program. Berry Street Victoria responded immediately to cater to the group which included translating all the documentation related to Saver Plus and employing a translator to assist in delivering the program. The Department of Victorian Communities provided funding for the translation of materials and the delivery of the financial education workshops. Due to the considerable work in adapting the program and material to suit the cultural requirements of the Iraqi group, the commencement of the saving period for this group was between May – August 2005.

The quality of analysis was constrained by the limited amount of data that was available for this group. Out of the 34 individuals, full data sets were available for 13 Iraqi participants. A focus group was also conducted with the assistance of a translator at the completion of the program.

### 12.1 Demographics (IG)

For the 13 individuals who responded to the questionnaires, we found the following:

- All couples with children
- 61.5% female
- Majority aged 30-39 (53.8%)
- 30.8% aged 40-49 and the remaining 15.4% in the age group 50-69

- All speak a language other than English at home – Arabic
- Monthly income (after tax) varies from \$650 to \$4,868.59 with the average being \$3,325.02
- The number of dependent children varies from 1 to 8 with an average of 4.46
- There is considerable variation in the age of the youngest child with the youngest being 3 months and the oldest 18 years. The average age of the youngest child is 5.52
- Average ages of dependent children range from about 8 to 18 years with a mean of 11.5 years.

### 12.2 Previous saving behaviour and financial literacy (IG)

As shown in Table 82, the information on prior savings behaviour and levels is unavailable for a large proportion of the Iraqi participants. However 39% did report that they have been saving either regularly (18%) or sporadically (21%). For those who responded, the most common savings level was that of less than \$50.

In terms of financial literacy, on average the highest knowledge rating was recorded for day-to-day banking (11.17), followed by cards (9), investment and credit (7.8) and convenience banking (5.38). The average scores for day-to-day and convenience banking literacy measures are found to be significantly lower for this group relative to the rest of the new Saver Plus participants (not including the Frankston continuing group).

**Table 82: Prior savings behaviour and financial literacy (IG)**

		n	%
Savings pattern prior to Saver Plus	Save something from each pay	6	17.65%
	Sometimes save but not regularly	7	20.59%
	Not stated	21	61.76%
Prior savings level	Less than \$50	8	23.53%
	\$50 or more but less than \$200	4	11.76%
	\$600 or more but less than \$1000	1	2.94%
	Not stated	21	61.76%
		n	Average
Financial literacy	Day to day banking	12	11.17
	Convenience banking	13	5.38
	Investment and credit	10	7.80
	Cards	9	9.00

## 12.0 The Iraqi Group (IG)

### 12.3 Saving behaviour during Saver Plus (IG)

All participants from the Shepparton Iraqi group were aiming to save \$1000 with 30 out of the group of 34 having succeeded in meeting that goal. Due to their late start in the program, these participants were on average depositing larger amounts, with the number of monthly deposits averaging 1 to 2 deposits per month. As shown in Table 83, the average deposits made by the Iraqi participants fluctuated considerably during the saving period. The average deposit/goal ratio indicates that in the majority of months, the amount deposited was at least as high as the implied monthly goal, with the exceptions being the start and the end of the saving period.

Half of the Iraqi participants never missed a deposit, made no withdrawals but deposited amounts with a standard deviation of more than \$10. Approximately 32% did however withdraw funds from their Progress Saver Account while 18% saved sporadically. As shown in Table 84, the sporadic savers were found to have a significantly smaller average final balance. The average final balance for the entire group was \$1,025.

### 12.4 Impact of the program

The impact of the program was similar for the Iraqi group as it was for the other Saver Plus participants. The Iraqis were happy to have the opportunity to be included in the program and were proud of their success in achieving their savings goals. Table 85 provides examples of some of the comments given in the focus groups about their overall experience in the program. The opportunity to receive the matched funds was an important incentive to the Iraqi group to join the program and also to keep saving throughout the program. The participants were amazed and thought it incredulous that ANZ were going to give them \$2,000 if they saved \$1,000.

**Table 83: Recruitment progress and monthly deposits (IG)**

	Number of participants	Average deposit	Average no. of deposits	Average (deposit/ goal) ratio
May-05	10	\$114.30	1.50	0.91
Jun-05	29	\$196.24	1.72	1.43
Jul-05	30	\$182.25	1.53	1.37
Aug-05	34	\$182.84	1.59	1.57
Sep-05	34	\$131.50	1.32	1.24
Oct-05	34	\$156.59	1.35	1.22
Nov-05	34	\$210.74	1.53	1.95
Dec-05	34	\$115.95	0.41	0.64

**Table 84: Savings patterns and average final balances (IG)**

	n	%	Average final balance
Consistent (no withdrawals, did not miss a deposit, deposits made with a standard deviation of less than \$10)	0	0	-
Consistent/Variable (no withdrawals, did not miss a deposit, deposits made with a standard deviation of more than \$10)	17	50.00%	\$1,063.94
Withdrawals	11	32.35%	\$1,037.24
Sporadic (missed 1 or more deposits)	6	17.65%	\$894.10

## 12.0 The Iraqi Group (IG)

When asked what changes have been made to their general money management behaviour, again the comments do not differ from that of the main group. Learning to save and budget were the most commonly reported changes. An important lesson for the group was learning to distinguish between needs and wants.

*“We started to buy what is necessary instead of what we want.”  
(Iraqi participant)*

One participant also learned the impact of using credit unnecessarily.

*“Before I became one of the Saver Plus participants, I went for shopping every two days and liked to buy something even if it’s not really necessary, okay, I will use my credit card, it doesn’t matter, I will not pay for that. But now I have changed my thinking.” (Iraqi participant)*

**Table 85: Overall experience in Saver Plus program (IG)**

“It teaches us how we can save money in an economic way.”
“From the sessions we learn how we can save money and we get a good advantage from that.”
“I understand how I can save money in a very good way and buy what they need (my children) for their education.”
“It teaches how to save without feeling about the process.”
“To know how we can save and now I am saving \$60 or \$70 every fortnight. It will be useful when we need it.”

**Table 86: Changes in money management behaviour (IG)**

“Establish a monthly budget.”
“Going shopping every week and buy what we need, and not what we want.”
“I know how to save now.”
“I learned how to save.”
“I learned to save every fortnight, even a small amount. It will be useful when I need it.”
“Positive effect. We started saving money when we go shopping, instead of spending all the money.”
“Thank you to the Saver Plus program because it taught me how I can save money and depend on myself.”

## 13.0 Saver Plus Withdrawals

In the second phase, in addition to 8 individuals from the Frankston continuing group who were no longer eligible to participate in the program, there were also 44 participants who withdrew from the program during the course of the savings period. This implies a drop-out rate of 9.73% which is considerably higher than that of less than 2% in the first phase of the program. Although higher than the first period, this rate is much lower than the 48% effective drop-out rate from the American Dream Demonstration program reported in Schreiner and Sherraden (2005).

As can be seen from Table 87, the significant majority of those who dropped out were from the Frankston continuing group. In accordance with the findings in Schreiner and Sherraden (2005), who argue that increasing the match rate increases the opportunity cost of dropping out, this could possibly be due to this group facing a lower match rate than the rest of the Phase 2 participants. Given that the majority of participants, in general, openly state that their main motivation for saving is

the opportunity to access the matched funds, this is a plausible explanation. However, information provided in the interview with the Relationship Manager of the Frankston site, suggested that those who dropped out in the second savings period were those who struggled in the first savings period and had required an above average level of support.

As shown, a considerable proportion of participants who withdrew from the program were female (95%). However this is due to the higher participation rate of females and does not vary significantly across program status. However, the Chi-square contingency table analysis does show that sole parents and younger individuals were significantly more likely to withdraw from the program. On the other hand, program status is not affected by the average number of dependent children or by their ages.

**Table 87: Program status by group and demographics**

		In the program	Dropped out
Group $\chi^2_{(4)} = 13.54, p < 0.05$	Campbelltown	11.53%	4.76%
	Shepparton	27.57%	21.43%
	Brisbane	21.55%	26.19%
	Frankston (New)	15.29%	2.38%
	Frankston (Continuing)	24.06%	45.24%
Gender $\chi^2_{(1)} = 0.089, p > 0.05$	Male	6.41%	4.76%
	Female	93.59%	95.24%
Sole parent $\chi^2_{(1)} = 5.28, p < 0.05$	Yes	66.18%	90.48%
	No	33.82%	9.52%
Average age $F_{(1,299)} = 10.55, p < 0.05$		41.55	37.15
Average number of dependent children $F_{(1,299)} = 0.648, p > 0.05$		2.53	2.76
Average age of dependent children $F_{(1,291)} = 0.833, p > 0.05$		11.90	11.40
Age of youngest child $F_{(1,292)} = 0.545, p > 0.05$		9.58	9.54

## 13.0 Saver Plus Withdrawals

Table 88 shows the analysis of program status across language, ethnicity, education and income variables. As can be seen, none of the variables are found to have a significant impact on an individual's likelihood of withdrawing from the program.

**Table 88: Program status by language, ethnicity, education and income**

		In the program	Dropped out
Language spoken at home $\chi^2_{(2)} = 0.095, p>0.05$	English	94.20%	95.24%
	English + Other	0.36%	0
	Other	5.43%	4.76%
Country of birth $\chi^2_{(1)} = 0.539, p>0.05$	Australia	79.00%	85.71%
	Other	21.00%	14.29%
Education levels $\chi^2_{(4)} = 2.356, p>0.05$	Part school	22.08%	29.41%
	Part school + TAFE/Other qualification	44.17%	52.94%
	Completed school	7.08%	0
	Completed school + TAFE/Other qualification	17.08%	11.76%
	University	9.58%	5.88%
Average monthly income $F_{(1,297)} = 0.887, p>0.05$		\$2,859.35	\$3,042.13
Source of household income $\chi^2_{(4)} = 8.9, p>0.05$	Single income, full-time	11.11%	23.81%
	Single income, part-time	38.49%	19.05%
	Single income, casual	32.54%	52.40%
	Dual income, full-time	5.16%	0
	Dual income, other	12.70%	4.76%
Primary source of income $\chi^2_{(1)} = 0.123, p>0.05$	Paid employment	43.7%	47.6%
	Government benefits	56.3%	52.4%

## 13.0 Saver Plus Withdrawals

As shown in Table 89, the likelihood of withdrawal is significantly affected by the participants' prior savings pattern, with individuals who reported that they did not save anything prior to the program were more likely to withdraw. On the other hand, those who stated that they save regularly were significantly less likely to do so. Moreover, the participants who dropped out were also on average aiming to save a significantly smaller amount than those who remained in the program. Combined, these results can be taken to imply that an individual's underlying ability and willingness to save are important drivers behind one's decision to withdraw from the program.

As can be seen, those participants who reported that they generally feel out of control with their borrowing and credit and who stated that they have problems setting money aside for major financial outlays, were also significantly more likely to drop out from the program. In terms of financial literacy, there is significant evidence that those participants who withdrew on average had a lower level of literacy regarding day-to-day banking.

It is recommended that the factors affecting the drop-out rate be investigated at a deeper level (along the lines of the analysis performed in Schreiner and Sherraden 2005) in the subsequent stages of the program.

**Table 89: Program status by saving behaviour and financial literacy**

		In the program	Dropped out
Prior savings pattern $\chi^2_{(2)} = 9.11, p < 0.05$	Save something from every pay	39.05%	19.05%
	Sometimes save but not regularly	46.72%	42.86%
	Don't save anything	14.23%	38.10%
Estimated average savings level prior to Saver Plus $F_{(1,299)} = 3.59, p > 0.05^*$		\$837.81	\$285.95
Average savings goal $F_{(1,439)} = 13.39, p < 0.05$		\$959.72	\$876.00
<b>I spend all of my income as I get it</b> $\chi^2_{(1)} = 3.79, p > 0.05$			
		Yes	27.51%
		No	72.49%
<b>I feel out of control with my borrowing and credit generally</b> $\chi^2_{(1)} = 4.52, p < 0.05$			
		Yes	13.43%
		No	86.57%
<b>If I had a major loss of income I could manage for a period of time</b> $\chi^2_{(1)} = 0.03, p > 0.05$			
		Yes	64.44%
		No	35.56%
<b>I have problems setting money aside for major financial outlays</b> $\chi^2_{(1)} = 4.51, p < 0.05$			
		Yes	40.52%
		No	59.48%
<b>I have worked out how much I will need to save for my retirement</b> $\chi^2_{(1)} = 0.881, p > 0.05$			
		Yes	7.44%
		No	92.57%
<b>I have a long-term financial plan</b> $\chi^2_{(1)} = 0.314, p > 0.05$			
		Yes	15.24%
		No	84.76%
<b>Average financial literacy</b>			
Day to day banking $F_{(1,261)} = 7.03, p < 0.05$		14.03	9.50
Convenience banking $F_{(1,249)} = 0.35, p > 0.05$		8.90	13.86
Investment products $F_{(1,299)} = 3.13, p > 0.05$		9.56	6.40
Cards $F_{(1,299)} = 1.46, p > 0.05$		10.59	8.40

## 14.0 Conclusion

The second savings period has seen high levels of success for the majority of participants in achieving a savings goal and increasing their abilities to better manage their money. The results demonstrate the effectiveness of the conceptual framework of Saver Plus. The incentive of the matched funds is a crucial element in attracting participants to the program; the education program provides participants with the ‘tools’ needed to succeed in achieving their savings goals; and the relationship management provides support when needed. These elements together represent what Sherraden (1991) refers to as appropriate ‘institutional variables’ that if present can encourage savings and asset accumulation.

### Future of Saver Plus

Saver Plus has now been extended to 18 sites across Victoria, Queensland, New South Wales and the ACT. The program will operate over three years with minimum savings periods of 10 months and maximum of 18 months. The eligibility criteria has been expanded to include adults who want to save for their own vocational education as well as parents who want to save for their child’s primary school education costs. The four current partners remain committed to the program, each organisation extending their Saver Plus footprint. In addition, the Department of Victorian Communities has joined ANZ as a new partner, contributing significant resources for the continued running of Saver Plus over the next three years.

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## Appendix B: 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).

## Appendix C: Explanation of Statistical Techniques

### **Crosstabulations evaluated using the Chi-square ( $\chi^2$ ) 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.

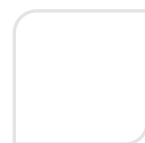
### **Factor analysis**

Factor analysis is a statistical technique which allows identification of unobservable factors that underlie a set of observed responses. It examines the interrelationships between a number of observed variables (i.e. individual responses to a set of questions) and then groups them based on their similarity. In other words, if the responses to a set of questions exhibit a high degree of correlation then these are assumed to be driven by the same, common underlying factor. Conversely, dissimilarity between responses implies different underlying dimensions. These underlying dimensions (factors) are then labelled/interpreted based on “factor loadings” that show which of the observed variables is/are most correlated with the unobserved factors.

## Notes



## Notes



## Notes





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