



MoneyMinded in India Impact Report 2012

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MoneyMinded

MoneyMinded in India, Impact Report 2012

Tata Institute of Social Sciences
Dr Samapti Guha
Abhishek Dwivedi

Samhita Social Ventures
Anushree Parekh

Cover photo: MoneyMinded participants from Mumbai, India.

Foreword

We are pleased to present the MoneyMinded in India Impact Report for 2012. Since 2003, ANZ's flagship financial literacy program, MoneyMinded has reached over 240,000 people in Australia, New Zealand and the Asia Pacific region.

MoneyMinded was first introduced as a pilot project in Mumbai, India in April 2012 in collaboration with a non-government organisation partner to support underprivileged youth who do not participate in, or are excluded from, the financial system. Within three months, 180 people had participated in the program to build their financial skills, knowledge and confidence.

Results from the survey conducted by the Tata Institute of Social Sciences and Samhita Social Ventures Mumbai to understand the impact of the pilot program reveal that the majority of participants reported that their money management skills improved after completing MoneyMinded. Most had started saving and those who were saving before the program too increased the amount they saved. Metrics to determine respondents' confidence and quality of life also showed an overall improvement. I would like to extend my thanks to the participants

who took part in this research. I would also like to thank our MoneyMinded pilot delivery partner organisation, Kherwadi Social Welfare Association, that provides vocational training skills to underprivileged youth in communities across India, for supporting us in the pilot and post-pilot survey.

Further, I would like to acknowledge our accredited staff and community partners who deliver MoneyMinded to participants. Your work with our partner organisation has contributed to the positive changes in the lives of the participants identified in this report.

ANZ continues to invest in this program. We aim to support more people in the communities where we operate, assisting them to improve their livelihoods through better financial management.



Subhas DeGamia
CEO India, ANZ

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1. ABOUT THIS REPORT AND MONEYMINDED IN INDIA

1.1 Overview of financial literacy in India

In the last two decades, India's comprehensive financial system has arguably supported the country's strong economic progress. However, despite this growth, a population in India still lack access to formal financial services and financial knowledge. According to the World Bank database, known as the Global Financial Inclusion database (Global Findex), only 35% of the adults in India had accounts at a formal financial institution in 2011, lower than many developing countries including Bangladesh (40%), Brazil (56%) and China (64%).¹

In recent times, the Indian government and the Reserve Bank of India (RBI), have recognized the importance of financial literacy programs in promoting healthy financial systems and inclusive growth. In alignment with the RBI's financial inclusion agenda, ANZ India is committed to contributing towards the overall socio-economic development of India through the localised delivery of ANZ's flagship adult financial education program, MoneyMinded.

Although Mumbai is often hailed as the financial capital of India, about 59 per cent of its population resides in slums. This group is typically removed from India's formal financial sector and relies on informal moneylenders and the Rotating Savings and Credit Association (ROSCA) for financial services.

Currently, there are pertinent demand and supply side barriers that inhibit inclusion. On the demand side, there is insufficient knowledge about financial products and services. On the supply side, the ability of this segment of the population to obtain appropriate financial services from the formal banking sector is limited owing to the high risks associated with the lack of basic identification documents, illiteracy, the lack of regular, consistent income and the lack of assets to offer as collateral.

It is against this background that ANZ implemented MoneyMinded in Mumbai, India in 2012. MoneyMinded is an adult financial education program that helps people improve their financial skills, knowledge and confidence. It was developed by ANZ in Australia in 2003 in conjunction with the Centre for Learning and Innovation at NSW Department of Education and Training and an advisory committee including the Australian Financial Counselling and Credit Reform Association (now Financial Counselling Australia), the Financial Counsellors Association of NSW (FCAN), the Australian Securities and Investments Commission (ASIC) and community sector representatives. Since 2003, the program has expanded internationally, with more than 240,000 people across Australia, the Pacific and selected countries in Asia participating in the program.

1.2 Delivery of MoneyMinded in Mumbai

The delivery of MoneyMinded in India was undertaken in partnership with Project Yuvaparivartan under the auspices of Kherwadi Social Welfare Association (KSWA), a non-government organisation (NGO) that provides underprivileged youth who do not complete formal schooling a second chance for learning livelihood skills through vocational training courses. A total of seven MoneyMinded facilitators, who are accredited by ANZ, delivered MoneyMinded to the pilot group of 180. The participants were aged 16 years and above and resided in low socio-economic suburbs of Kherwadi, Bandra East and Kandivali in Mumbai.

The MoneyMinded program is a suite of financial education resources comprising topics that can be tailored to meet the needs of individuals and groups. The program includes activities and guides for facilitators as well as teaching tools to support the education of participants. In Mumbai, MoneyMinded was adapted for the target audience and translated into Hindi and Marathi for delivery in the community.

¹<http://datatopics.worldbank.org/financialinclusion/country/india>

Table 1: MoneyMinded modules and topics

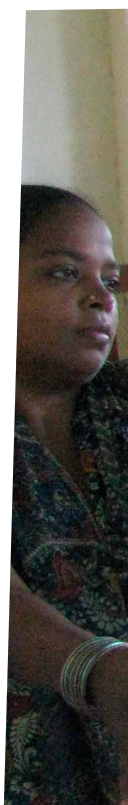
Modules	Topics
Money management	Financial decisions in the family Differences between needs and wants Determining spending priorities What is a budget and what are its benefits?
Planning for the future	Goals and their benefits Setting financial goals How having financial goals and budgeting can help
Credit and their risks	Good and bad credit Differences between credit and debit cards
Loan sharks and their traps	Differences between loan sharks and other sources of loans Financial risks of debt by relatives
How banks can help	Savings, safe-keeping and loans ATM and bank accounts Importance of PIN confidentiality How saving behaviour can help
Assertiveness	How to say 'no'

“I now question all my friends who ask me for money and only help in case of emergencies. I am able to do this by explaining politely that I am making sacrifices to meet my financial goals.”

- MoneyMinded participant

The following terminology is used in this report:

- ‘MoneyMinded facilitator’ refers to an employee from one of ANZ’s community partners who has completed the MoneyMinded facilitator training and delivers the MoneyMinded program to people in the community.
- ‘MoneyMinded participant’ refers to a person who has attended the MoneyMinded workshop(s) conducted by the MoneyMinded facilitators.
- ‘Respondent’ refers to a MoneyMinded participant who completed the evaluation survey.



2. METHODOLOGY

MoneyMinded was first delivered in Mumbai, India from April to June 2012 to 180 participants from KSWA. This report presents the findings of an impact assessment conducted by the Tata Institute of Social Sciences with assistance from Samhita Social Ventures. A key objective of the evaluation was to assess the impact of MoneyMinded on the participants and their overall well-being and provide an update on its use within the relevant communities, including the common characteristics and behaviour patterns of the participants who have taken part in MoneyMinded during the reporting period.

A total sample of 42 participants was surveyed as a majority of participants were not contactable due to changes

in their employment status, their job location or their residence. Many participants living in Bandra East, for instance, were relocated because their living quarters were declared illegal by local authorities and demolished.

Three methods of data collection were employed and adapted to suit the availability of the participants: face-to-face surveys, telephone interview and focus group discussions. These were conducted in Hindi and Marathi, the participants' native languages, and aimed to understand the respondents' perception of the MoneyMinded program and to assess the impact on participants' financial management behaviour.

"I used to spend a lot of money on impulse purchases whenever I went to the market; I used to buy at least one new dress every month. I now buy new clothes only on special occasions such as Diwali."

- MoneyMinded participant



3. KEY RESULTS

The 42 respondents surveyed for the impact assessment were aged between 16 and 45 years. The key characteristics of the respondents include: low income, moderate

education levels, blue-collar workers and partially in control of their finances.

3.1 Profile of respondents

Table 2: Characteristics of MoneyMinded respondents

	Number of respondents	Proportion
Gender		
Male	12	28.6%
Female	30	71.4%
Age		
15-20	27	64.3%
21-25	6	14.2%
26-30	7	16.7%
31-35	1	2.4%
41-45	1	2.4%
Marital status		
Single	35	83.3%
Married	7	16.7%
Education		
Primary education	2	4.8%
Secondary education	16	38.1%
Higher education	17	40.4%
Graduation	5	11.9%
Technical college	2	4.8%
Employment status		
Self-employed	1	2.4%
Employed	20	47.6%
Unemployed	2	4.8%
Housewife	3	7.1%
Student	14	33.3%
Not working	2	4.8%



	Number of respondents	Proportion
Household income		
Below INR 1,20,000 per year	36	85.6%
Between INR 1,20,001 and INR 2,00,000 per year	2	4.8%
Between INR 2,00,001 and INR 2,80,000 per year	1	2.4%
Above INR 2,80,000 per year	1	2.4%
Others	2	4.8%

Who is responsible for the day to day decisions about money in the household?		
Self	5	11.9%
Partner / spouse and respondent	1	2.4%
Partner / spouse	2	4.8%
Family members	27	64.3%
Family members and respondent	7	16.6%

Note: AUD 1 = INR 55

3.2 Summary of key impacts

The key findings from the evaluation show that after completing MoneyMinded:

- ▶ 78.6 per cent of respondents monitored their expenses personally compared to 42.9 per cent before the program.
- ▶ 90.5 per cent of respondents knew their day to day expenses, a threefold increase from before MoneyMinded.
- ▶ 76.2 per cent of respondents reported being able to save money for emergencies, twice the proportion before MoneyMinded.
- ▶ 76.2 per cent of respondents said they were able to deal with financial problems, up from 28.6 per cent before the program.
- ▶ 57.1 per cent of the respondents were saving more than INR 500 a month, compared to 23.8 per cent of the respondents before the program.
- ▶ 59.5 per cent of respondents felt confident in declining requests from family and friends for monetary support, a threefold increase from before the program.
- ▶ 88.1 per cent of respondents said they had no or very little difficulty in paying their bills.
- ▶ 78.6 per cent of respondents reported that they felt less stressed about the future while 81 per cent felt more confident in other aspects of their life.

3.3 Results

The ability to manage money effectively and develop a savings habit plays a key role in an individual's financial well-being. The respondents were asked a number of questions regarding various aspects of money management, such as monitoring expenses, savings

behaviour and the ability to make money last until the next payday. Findings indicate a positive change in most of these aspects for respondents after the MoneyMinded program.

Table 3: Changes in monitoring behaviour

Which one of the following best describes how you personally monitor your expenses?	Before	After	Change
I don't keep an eye on expenses at all	40.5%	7.1%	-33.4%
I keep my eye on expenses a bit	28.6%	40.5%	11.9%
Without keeping written records I keep a fairly close eye on expenses	4.8%	16.7%	11.9%
I use written records to keep a close eye on expenses	9.5%	21.4%	11.9%
My family members or spouse keep the records	16.7%	14.3%	-2.4%

In terms of monitoring and recording expenses before MoneyMinded, 40.5 per cent of respondents reported that they had no idea about their expenses and 9.5 per cent maintained written records to track their expenses. After completing the program, the proportion of respondents who did not monitor expenses fell to 7.1 per cent while

those who now maintained written records of their expenses increased to 21.4 per cent. Overall 78.6 per cent monitored their expenses personally after the program, 7.1 per cent did not monitor it at all and 14.3 per cent relied on family member to keep records.

3.3.1 Saving behaviour

Table 4: Changes in saving behaviour

Which of the following describes your saving behaviour?	Before	After	Change
A set amount on a regular basis	11.9%	23.8%	11.9%
Save what was left over after expenses on a regular basis	16.7%	19.0%	2.3%
Save odd amounts when I could	38.1%	42.9%	4.8%
I was never able to save	33.3%	14.3%	-19.0%

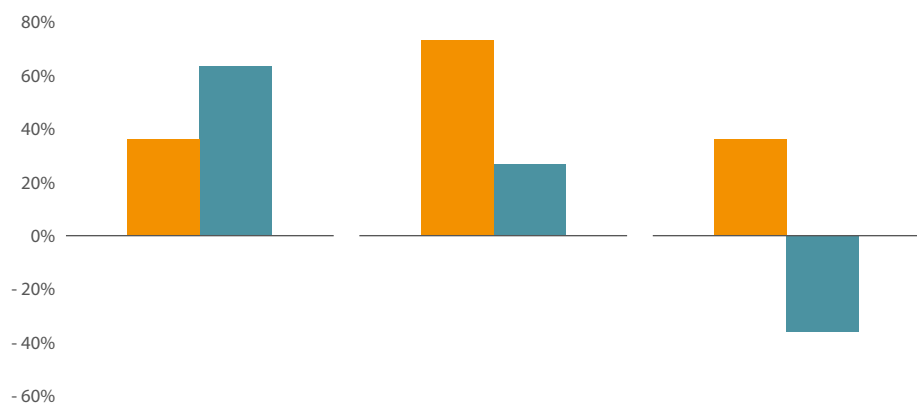
MoneyMinded also had a positive impact on the respondents' ability and desire to save. Table 4 reveals that after the program, the proportion of respondents who said they were unable to save fell from 33.3 per cent to

14.3 percent. On the other hand, the proportion of respondents who reported that they now saved a fixed amount regularly doubled from 11.9 per cent to 23.8 per cent.

Table 5: Changes in the practice of saving for emergencies

Do you have money for emergencies and / or savings to cover your expenses if you get sick or lose your job?	Before	After	Change
Yes	38.1%	76.2%	38.1%
No	61.9%	23.8%	-38.1%

Do you have money for emergencies and / or savings to cover your expenses if you get sick or lose your job?



	Before MoneyMinded	After MoneyMinded	Change
Yes	38.1%	76.2%	38.1%
No	61.9%	23.8%	-38.1%

Similarly, Table 5 shows that the proportion of respondents that reported they had money for emergencies doubled

from 38.1 per cent before MoneyMinded to 76.2 per cent after the program.

Table 6: Changes in the amount of money saved

Approximately how much do you save per week?	Before	After	Change
Less than INR 500	76.2%	42.9%	-33.3%
More than INR 500	23.8%	57.1%	33.3%

Table 6 shows that after MoneyMinded, 57.1 per cent of respondents reported savings more than INR 500 per week compared to 23.8 per cent before the program.

3.3.2 Day to day management of money

Table 7: Changes in amount of money left over by next pay day

How often did you have money left over by the next pay day?	Before	After	Change
Always	9.5%	40.5%	31.0%
More often than not	11.9%	14.3%	2.4%
Sometimes	35.7%	28.6%	-7.1%
Hardly ever	7.1%	2.4%	-4.7%
Never	35.7%	14.3%	-21.4%

After MoneyMinded, the proportion of respondents that reported always having money left over by the next payday increased four-fold from 9.5 per cent to 40.5 per cent. The

proportion of respondents who were more aware about their daily expenses also increased significantly from 28.6 per cent to 90.5 per cent after the program. See Table 8.

“I used to find going to a bank intimidating, but after the program I realised that there are a lot of benefits that a bank can provide. For example, a bank can help me save better and also help me when I start a business.”

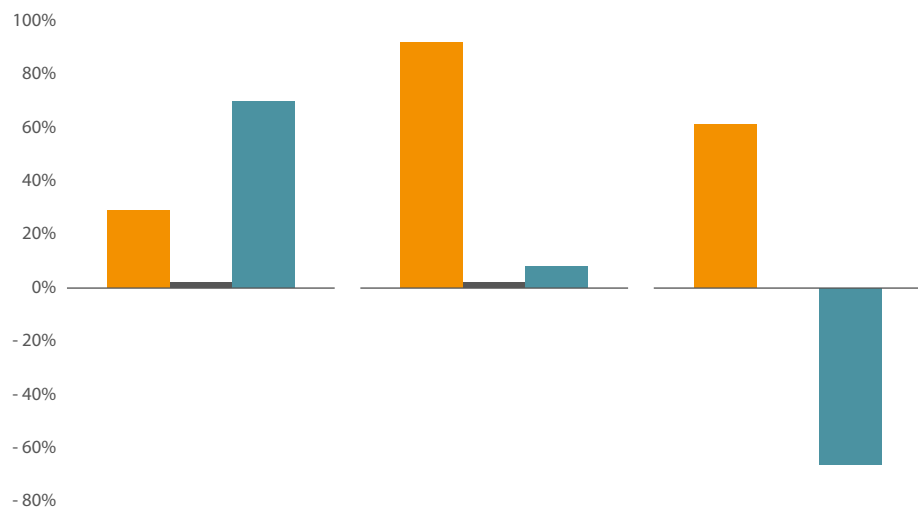
- MoneyMinded participant



Table 8: Changes in awareness regarding daily expenses

I know how much I need for my daily living expenses	Before	After	Change
Disagree or strongly disagree	69.0%	7.1%	-61.9%
Neither agree nor disagree	2.4%	2.4%	0%
Agree or strongly agree	28.6%	90.5%	61.9%

I know how much I need for my daily living expenses



	Before MoneyMinded	After MoneyMinded	Change
Agree or strongly agree	28.6%	90.5%	61.9%
Neither agree nor disagree	2.4%	2.4%	0%
Disagree or strongly disagree	69.0%	7.1%	-61.9%



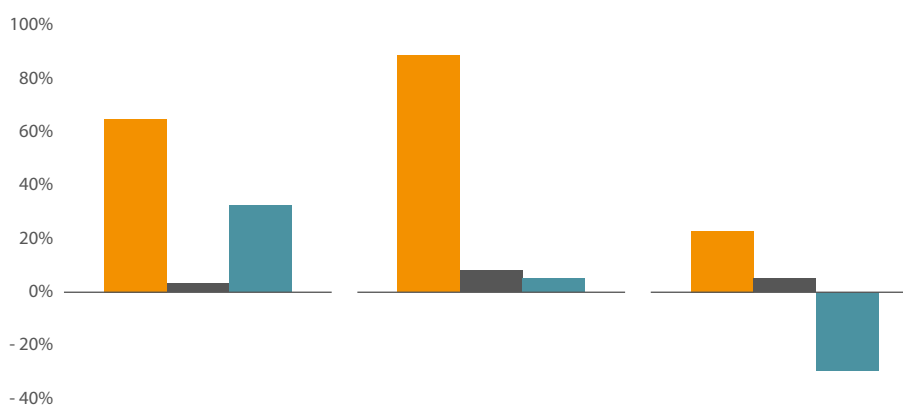
"I am the principal bread winner in my family. My husband had huge debts. After attending MoneyMinded, I got the confidence and the ability to take control of my finances. I have paid off all my debts and have started saving for my daughters' education now."

MoneyMinded participant

Table 9: Changes in experiencing difficulty in covering expenses and paying bills

In a typical month, how difficult is it for you to cover your expenses and pay all your bills?	Before	After	Change
A little or not at all	64.3%	88.1%	23.8%
Moderately difficult	2.4%	7.1%	4.7%
Very or extremely difficult	33.3%	4.8%	-28.5%

In a typical month, how difficult is it for you to cover your expenses and pay all your bills?



	Before MoneyMinded	After MoneyMinded	Change
■ A little or not at all difficult	64.3%	88.1%	23.8%
■ Moderately difficult	2.4%	7.1%	4.7%
■ Very or extremely difficult	33.3%	4.8%	-28.5%

MoneyMinded had a positive impact on the participants' ability to manage their expenses and pay their bills on time. Before participating in the workshop, 33.3 per cent of the respondents reported that they found it extremely hard to cover their expenses but this proportion fell

significantly to just 4.8 per cent after MoneyMinded. In addition, the proportion of respondents who experienced relatively little or no difficulty in paying their bills rose from 64.3 per cent to 88.1 per cent after MoneyMinded.

3.4 Planning for the future

A key objective of most financial education programs is to encourage participants to adopt financial planning and goal setting as a financial management habit. Respondents found that the MoneyMinded program was valuable in

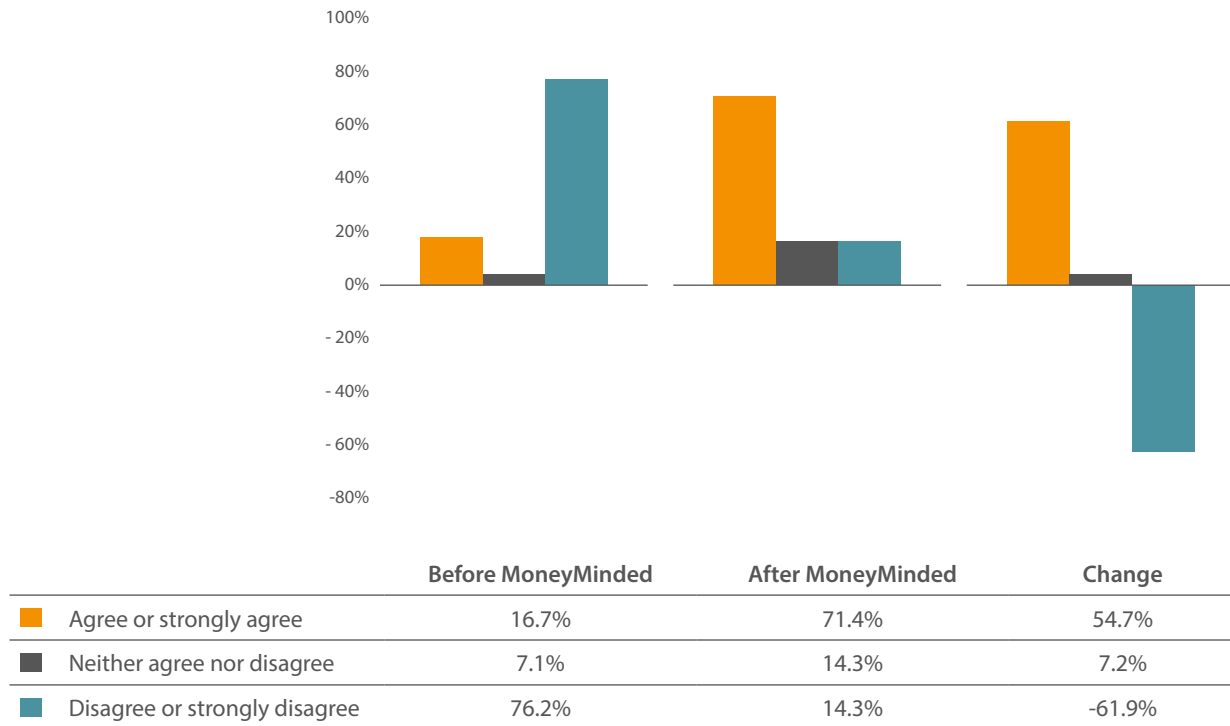
helping them develop financial management skills and enhance their desire to plan ahead and even their ability to deal with financial problems.

Financial management

Table 10: Response to "I have a financial goal to achieve in the next 12 months"

I have a financial goal to achieve in the next 12 months	Before	After	Change
Disagree or strongly disagree	76.2%	14.3%	-61.9%
Neither agree nor disagree	7.1%	14.3%	7.2%
Agree or strongly agree	16.7%	71.4%	54.7%

I have financial goal to achieve in the next 12 months



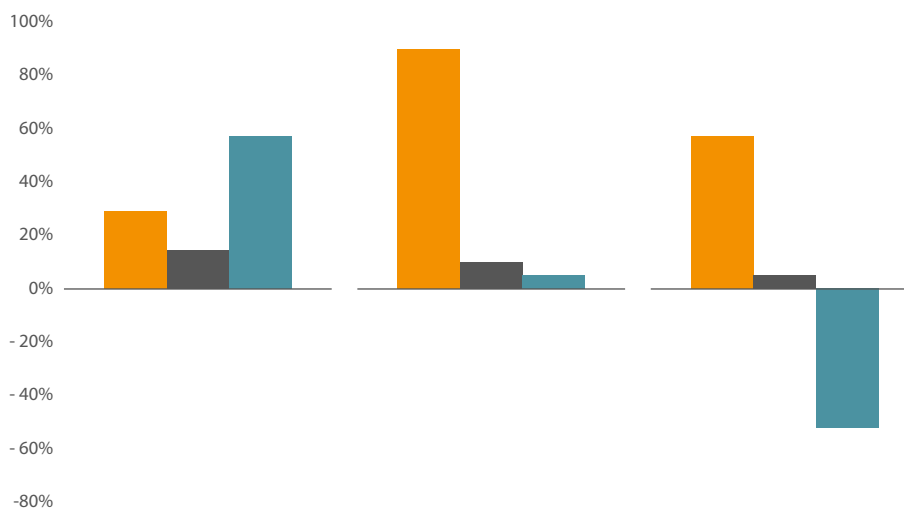
After completing MoneyMinded, 71.4 per cent of respondents reported that they had a financial goal set for the next twelve months which is a significant increase of more than four times from before the program (16.7 per cent). Similarly, data analysis indicates that improvements

were also observed in respondents' long term goal setting behaviour where earlier only 12 per cent agreed they set longer term financial goals which rose to 55 per cent post this program.

Table 11: Changes in ability to plan ahead

I am able to plan ahead	Before	After	Change
Disagree or strongly disagree	57.1%	2.4%	-54.7%
Neither agree nor disagree	14.3%	9.5%	-4.8%
Agree or strongly agree	28.6%	88.1%	59.5%

I am able to plan ahead



	Before MoneyMinded	After MoneyMinded	Change
Agree or strongly agree	28.6%	88.1%	59.5%
Neither agree nor disagree	14.3%	9.5%	-4.8%
Disagree or strongly disagree	57.1%	2.4%	-54.7%

There was also a significant increase in the proportion of respondents who said that they were able to plan for the future - from 28.6 per cent to an overwhelming 88.1 per cent after completing MoneyMinded.



Table 12: Changes in ability to deal with financial problems

I am able to deal with financial problems	Before	After	Change
Disagree or strongly disagree	59.5%	7.1%	-52.4%
Neither agree nor disagree	11.9%	16.7%	4.8%
Agree or strongly agree	28.6%	76.2%	47.6%

With regards to managing financial problems, 59.5 per cent of respondents mentioned that they were not able to deal with financial problems before MoneyMinded. However, this proportion dropped to 7.1 per cent after the program. This improvement also correlates with a more confident outlook on life as shown later in Table 17.

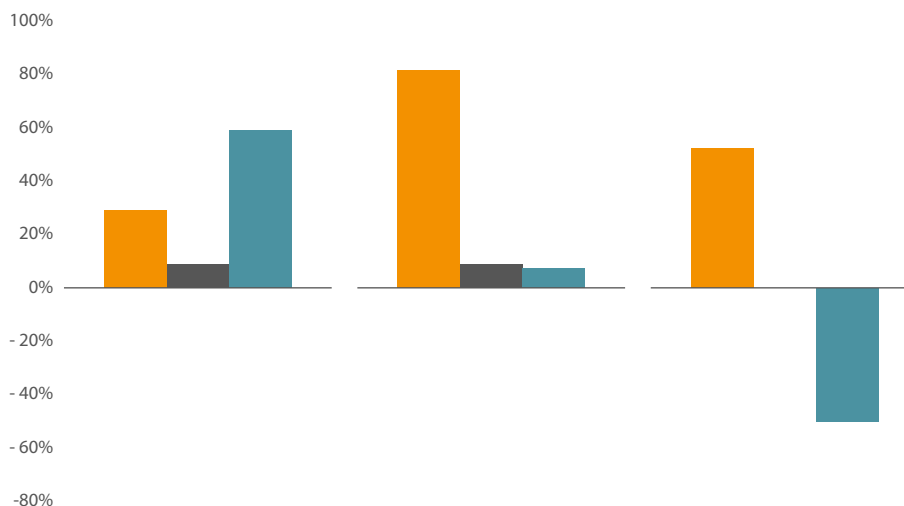
"I am not very literate. My husband would make me sign loan documents without explaining the implications to me. After MoneyMinded, I can identify words such as loans, interest rate and question my husband on the nature of the document."

– MoneyMinded participant

Table 13: Changes in ability to cope with unexpected expenses

I am able to cope with unexpected expenses.	Before	After	Change
Disagree or strongly disagree	59.9%	9.5%	-50.4%
Neither agree nor disagree	9.5%	9.5%	0%
Agree or strongly agree	30.6%	81.0%	50.4%

I am able to cope with unexpected expenses



	Before MoneyMinded	After MoneyMinded	Change
Agree or strongly agree	30.6%	81.0%	50.4%
Neither agree nor disagree	9.5%	9.5%	0.0%
Disagree or strongly disagree	59.9%	9.5%	-50.4%

With MoneyMinded improving the overall saving behaviour of respondents, it also enhanced the respondents' ability to cope with unexpected expenses. Table 13 shows that

81.0 per cent of the respondents reported feeling confident about managing unexpected expenses compared to 30.6 per cent before the program.

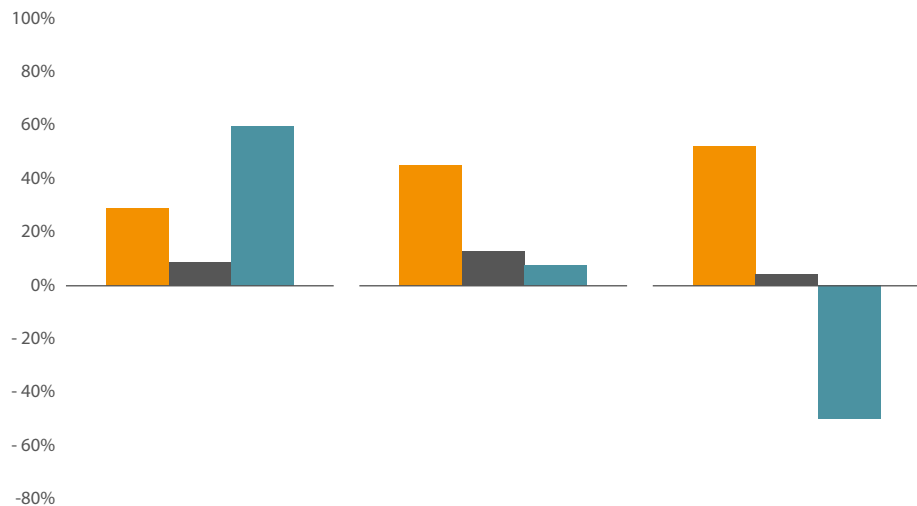
"I have realized the value of being smart about money and my goals. Comparing money with water helped me understand in a very simple way how we can use our common sense to save money and fulfil our dreams. I also have realized that we must borrow only when absolutely necessary and be very careful whom we borrow from, and for what purpose."
 - MoneyMinded participant

Financial knowledge

Table 14: Changes in understanding of different types of accounts

I have a good understanding of the different types of bank accounts available	Before	After	Change
Disagree or strongly disagree	59.5%	9.5%	-50.0%
Neither agree nor disagree	9.5%	14.3%	4.8%
Agree or strongly agree	31.0%	76.2%	45.2%

I have a good understanding of the different types of bank accounts available



	Before MoneyMinded	After MoneyMinded	Change
■ Agree or strongly agree	31.0%	76.2%	45.2%
■ Neither agree nor disagree	9.5%	14.3%	4.8%
■ Disagree or strongly disagree	59.5%	9.5%	-50.0%

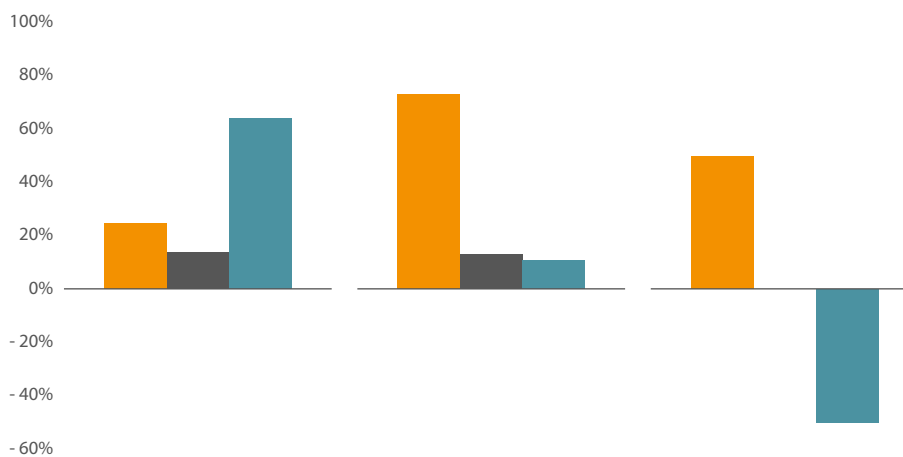
MoneyMinded improved the financial knowledge of participants equipping them with information regarding bank accounts and financial products. Only 31 per cent of the respondents indicated that they had a good understanding of different types of bank accounts before MoneyMinded but this proportion rose dramatically to

76.2 per cent after the program. According to Table 15, MoneyMinded also enhanced participants' understanding of different financial products – before the program, 23.8 per cent felt they had a good understanding and after MoneyMinded, the proportion rose to 73.8 per cent.

Table 15: Changes in understanding of different types of financial products

I have a good understanding of the different types of financial products	Before	After	Change
Disagree or strongly disagree	61.9%	11.9%	-50.0%
Neither agree nor disagree	14.3%	14.3%	0%
Agree or strongly agree	23.8%	73.8%	50.0%

I have a good understanding of the different types of financial products



	Before MoneyMinded	After MoneyMinded	Change
Agree or strongly agree	23.8%	73.8%	50.0%
Neither agree nor disagree	14.3%	14.3%	0.0%
Disagree or strongly disagree	61.9%	11.9%	-50.0%



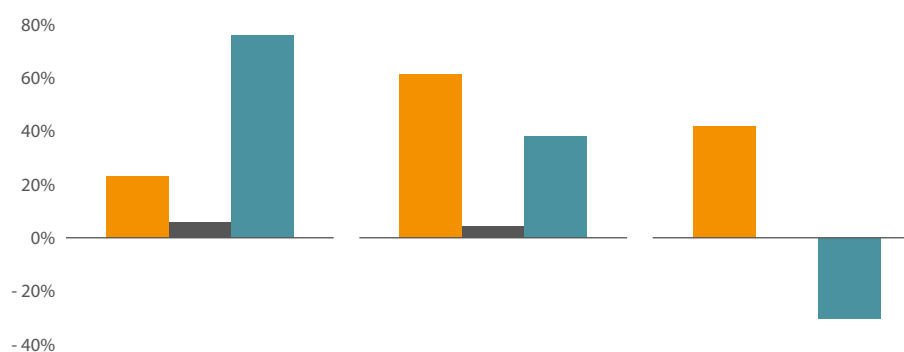
3.5 Social impact

Assertiveness

Table 16: Changes in assertiveness

I feel confident in saying 'no' when family members ask for money and I am not able to help	Before	After	Change
Disagree or strongly disagree	73.8%	38.1%	-35.7%
Neither agree nor disagree	4.8%	2.4%	-2.4%
Agree or strongly agree	21.4%	59.5%	38.1%

I feel confident in saying 'no' when family members ask for money and I am not able to help



	Before MoneyMinded	After MoneyMinded	Change
Agree or strongly agree	21.4%	59.5%	38.1%
Neither agree nor disagree	4.8%	2.4%	-2.4%
Disagree or strongly disagree	73.8%	38.1%	-35.7%

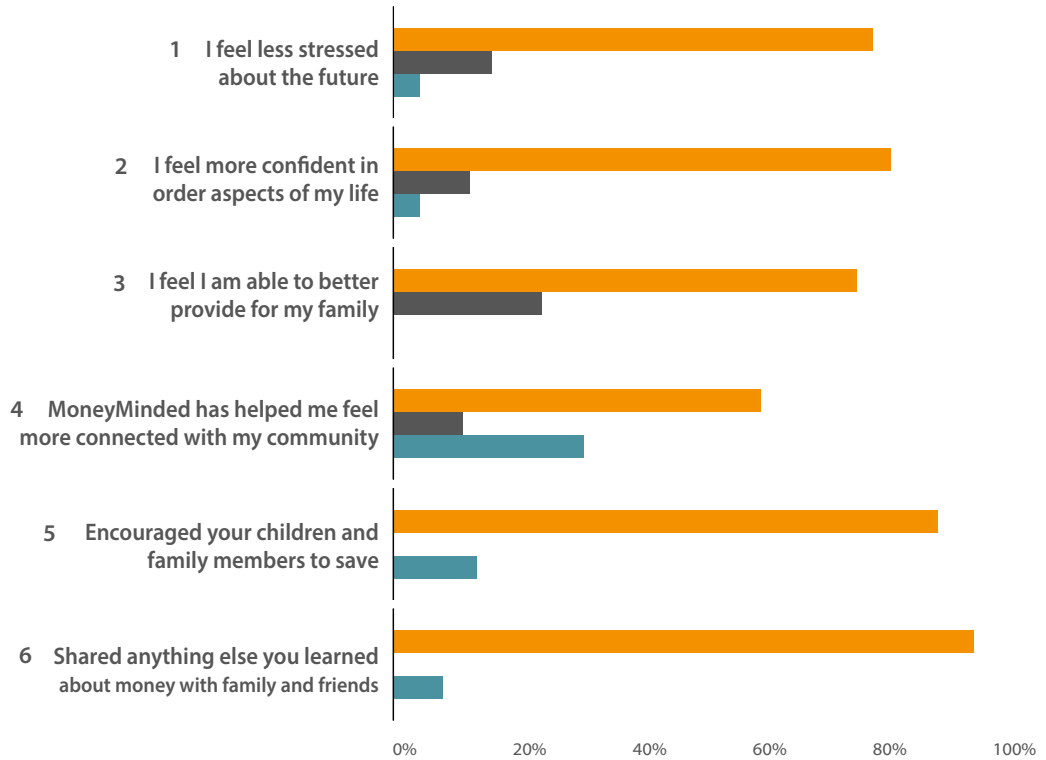
Assertiveness is one of the six topics covered in the MoneyMinded program in India. This topic includes role plays which allowed respondents to practise saying 'no' confidently when they are approached for a monetary loan. Table 16 shows the proportion of respondents who

indicated that they feel confident in turning down a request for money by family members increased almost threefold from 21.4 per cent before the program to 59.5 per cent after MoneyMinded.

Outlook on life

Table 17: Metrics for improved quality of life

	Disagree or strongly disagree	Neither agree nor disagree	Agree or strongly agree
I feel less stressed about the future	7.1%	14.3%	78.6%
I feel more confident in other aspects of my life	7.1%	11.9%	81.0%
I feel I am able to better provide for my family	0%	23.8%	76.2%
MoneyMinded has helped me feel more connected with my community	31.0%	9.5%	59.5%
Encouraged your children and family members to save	11.9%	-	88.1%
Shared anything else you learned about money with family and friends	7.1%	-	92.9%



	1	2	3	4	5	6
Agree or strongly agree	78.6%	81.0%	76.2%	59.5%	88.1%	92.9%
Neither agree nor disagree	14.3%	11.9%	23.8%	9.5%	0.00%	0.00%
Disagree or strongly disagree	7.1%	7.1%	0.00%	31.0%	11.9%	7.1%

MoneyMinded not only enhanced respondents' overall money management skills, it also had a positive impact on various aspects of their personal lives as detailed in Table 17.

After completing MoneyMinded, 78.6 per cent of respondents felt less stressed about the future. A similar proportion (81 per cent) agreed that after participating in MoneyMinded, they felt more confident in other aspects of their life as well. 76.2 per cent of respondents felt that since MoneyMinded they were able to better provide for their families. 59.5 per cent of respondents agreed that MoneyMinded helped them in connecting with their community.

MoneyMinded respondents were also keen to pass on the knowledge they had learned from the program. 88.1 per cent of respondents said that they encouraged their family members to save following MoneyMinded and an overwhelming 92.9 per cent of respondents said that they shared their learning with family and friends.

