



# MONEYMINDED SUMMARY REPORT:

The Reach and Impact of MoneyMinded  
in Asia Pacific 2010 - 2011

May 2012

# MoneyMinded

financial skills for the future

**MoneyMinded Summary  
Report:** The Reach and  
Impact of MoneyMinded in  
Asia Pacific 2010-2011

**RMIT University, 2012**  
Professor Roslyn Russell  
Minh Phuong Doan  
Joann Cattlin  
Vinita Godinho  
Jeff Fang

# FOREWORD

I am pleased to present the 2012 MoneyMinded Impact Report.

ANZ and our community partners have been delivering MoneyMinded in Australia for almost 10 years. In that time, it has become the most widely used program of its type in Australia. After adapting and piloting MoneyMinded in several countries in the Pacific, ANZ has committed to delivering MoneyMinded in other countries in the Asia Pacific region as our global flagship financial capability program.

Governments and financial sector regulators throughout our region have recognised the important role that money management skills and ability to save play in people's financial and social inclusion. As a leading bank in Australia, New Zealand and Asia Pacific, ANZ is committed to making a significant contribution to the economic development and wellbeing of the communities we serve.

This report documents some of the impacts on the lives of MoneyMinded participants in Australia, Papua New Guinea and Fiji. While levels of economic development and cultures differ markedly between these countries, participants in all programs reported lower levels of stress and increased confidence and control. This is associated with longer timeframes for planning savings and spending, increased saving and improved ability to cope with unexpected expenses. These are early results of program impact and we aim to build this evidence base in coming years.

This report also contains an overview of financial literacy and inclusion approaches across the Asia Pacific region. The overview provides useful context and while no means exhaustive, illustrates the extent to which building financial capability and inclusion is being adopted as part of the approach to alleviating poverty and supporting development in the region.

I would like to thank those who participated in the research into MoneyMinded and our valued partner organisations. We look forward both to continuing our work with our long-standing partners and to developing new partnerships across the region to deliver MoneyMinded with the aim of enabling more people to benefit.



Jane Nash  
Group Head of Financial Inclusion &  
Capability, ANZ

<b>FOREWORD</b>	<b>2</b>
<b>EXECUTIVE SUMMARY</b>	<b>5</b>
<b>1.0 The development and reach of MoneyMinded</b>	<b>7</b>
1.1 MoneyMinded: A financial literacy training program	7
1.2 The reach of MoneyMinded in Australia and New Zealand (2011)	8
1.3 Methodology	9
1.4 Results	10
<b>2.0 Case study one: Impact of MoneyMinded in Australia</b>	<b>12</b>
2.1 Methodology	12
2.2 Participants	13
2.3 Managing money	13
2.4 Planning ahead	20
2.5 Choosing products	22
2.6 Staying informed	24
2.7 Impacts on individuals and families	24
2.8 Conclusion	25
<b>3.0 Case study two: MoneyMinded in the Pacific</b>	<b>26</b>
3.1 Methodology	27
3.2 Participants	28
3.3 Motivation to do the program	28
3.4 Managing money	29
3.5 Planning ahead	34
3.6 Choosing products	36
3.7 Impacts on individuals and families	39
3.8 Conclusion	40
<b>4.0 An overview of financial literacy and inclusion in the Asia Pacific region</b>	<b>41</b>
4.1 Introduction	41
4.2 Australia	43
4.3 New Zealand	47
4.4 Asia Pacific	50
4.5 Conclusion	58
<b>REFERENCES</b>	<b>59</b>

# CONTENTS

## LIST OF TABLES AND FIGURES

### Australia Tables 1-18

<b>Table 1</b> MoneyMinded modules and topics	7
<b>Table 2</b> Characteristics of MoneyMinded participants	10
<b>Table 3</b> MoneyMinded Basics package	12
<b>Table 4</b> Total amount of savings	13
<b>Table 5</b> Change in savings pattern	14
<b>Table 6</b> Method of deposits to savings account	14
<b>Table 7</b> Frequency of transactions on savings account	15
<b>Table 8</b> Approach to savings	16
<b>Table 9</b> Use of a household budget	16
<b>Table 10</b> Money left over before next pay day	17
<b>Table 11</b> Control over finances	17
<b>Table 12</b> Types of debt	18
<b>Table 13</b> Household debt over the last 12 months	19
<b>Table 14</b> Method of paying for an unexpected expense	20
<b>Table 15</b> Timeframes for planning savings and spending	21
<b>Table 16</b> Knowledge of financial products	22
<b>Table 17</b> Knowing where to get help	23
<b>Table 18</b> Social impacts of MoneyMinded	24
<b>Pacific Tables 19-39</b>	
<b>Table 19</b> MoneyMinded Pacific modules	26
<b>Table 20</b> Saving patterns before and after MoneyMinded	29

<b>Table 21</b> Level of saving deposits after MoneyMinded	30
<b>Table 22</b> Money left over	30
<b>Table 23</b> Making ends meet	31
<b>Table 24</b> Budgeting	31
<b>Table 25</b> Coping with family and cultural obligations	32
<b>Table 26</b> Reducing spending	33
<b>Table 27</b> Motivated to achieve goals	34
<b>Table 28</b> Goal setting	34
<b>Table 29</b> Planning ahead	35
<b>Table 30</b> Coping with unexpected expenses	35
<b>Table 31</b> Understanding bank products	36
<b>Table 32</b> Shop around for products and services	36
<b>Table 33</b> Changing bank accounts	37
<b>Table 34</b> Knowing where to get help when making financial decisions	37
<b>Table 35</b> Knowing the right questions to ask	38
<b>Table 36</b> Level of confidence in making financial decisions	38
<b>Table 37</b> Level of life satisfaction	39
<b>Table 38</b> Priorities of PFIP	56
<b>Table 39</b> Key achievements for financial literacy in the Pacific Islands (PIFS 2010)	57
<b>Figures</b>	
<b>Figure 1</b> Financial Literacy Index Score Across Asia Pacific (excluding Pacific Islands)	51

# EXECUTIVE SUMMARY

Since it was developed in 2005 it is estimated that 160,000 people have participated in MoneyMinded education.

Since 2005, MoneyMinded has been helping people build financial skills, knowledge and confidence. MoneyMinded is particularly targeted to support people who are marginalised or financially excluded.

MoneyMinded, a financial education program developed by ANZ and delivered through community organisations across Australia, New Zealand and Asia Pacific, is the most widely used program in Australia. In the year 1 October 2010 to 30 September 2011 it reached an estimated 30,215 people in Australia and New Zealand. Since it was developed in 2005 it is estimated that 160,000 people have participated in MoneyMinded education.

This report provides an annual update on MoneyMinded and its use in communities across Australia, New Zealand and the Pacific.

It gives an estimate of the program's reach across Australia and New Zealand for the year ending September 2011, and provides an indication of how the program has impacted the financial management behaviour of a sample of its Australian participants. The report also includes a case study of the expansion of MoneyMinded by ANZ in the Pacific countries of Papua New Guinea and Fiji and how the program has assisted participants in these countries improve their money management skills and knowledge.

The aim of the evaluation was to assess whether and how MoneyMinded had assisted participants in improving their financial management behaviour and whether it had any impact on their overall wellbeing. The report also provides a brief overview of financial literacy and inclusion efforts across Australia, New Zealand and Asia Pacific, to provide context for the current and future application of MoneyMinded in the region.

The key findings from the evaluations are as follows:

### 1. Participants in Australia

After completing MoneyMinded;

- > the proportion of participants reporting being unable to save decreased from 29.6 per cent to 5.1 per cent
- > 66.3 per cent of participants increased their monthly savings deposits and had cut back on spending in order to save
- > participants who save a set amount on a regular basis increased by 21.4 per cent
- > 67.3 per cent of participants used a budget more often
- > 19.6 per cent of participants were always able to have money left over by the next pay day
- > 91.6 per cent of participants reported a greater capacity to make ends meet
- > nearly all participants (93.7 per cent) felt more in control over their finances
- > most participants (88.6 per cent) felt more confident in dealing with banks
- > 92.8 per cent of participants had encouraged their children and family members to save
- > most participants (80 per cent) felt less stressed about the future
- > 89.7 per cent of participants had more confidence in other aspects of life.

### 2. Participants in the Pacific

MoneyMinded Pacific has had similar positive outcomes for participants in Fiji and Papua New Guinea. After completing the program;

- > the proportion of participants reporting being unable to save decreased from 25.5 per cent to 4.3 per cent
- > 74.5 per cent of participants increased their monthly savings deposits
- > participants who save a set amount on a regular basis increased by 34.0 per cent
- > participants who regularly or always use a budget increased by 51 per cent
- > there was a 41.5 per cent increase in the number of participants who always had some money left over by the next pay day
- > nearly all participants (97.8 per cent) reported a greater capacity to make ends meet
- > the proportion of participants who felt more confident in dealing with family and cultural obligations increased from 15 per cent to 70 per cent
- > nearly all participants (97.9 per cent) were better able to plan ahead
- > 95.8 per cent of participants were better able to cope with unexpected expenses
- > 91.5 per cent of participants had encouraged their children and family members to save
- > the number of participants who felt completely satisfied with life increased by 51 per cent.

This section provides the annual update of the continued development and reach of MoneyMinded. The program has been adapted to suit a range of cultures across Asia Pacific, extending its reach and impact on the financial lives of thousands of individuals. While the partnership delivery model and the principles of the program remain, the program has successfully incorporated the necessary cultural and financial elements to ensure relevance to all groups.

### 1.1 MONEYMINDED: A FINANCIAL LITERACY TRAINING PROGRAM

In 2005, ANZ developed MoneyMinded in partnership with community organisations, education experts and stakeholders including ASIC and the Australian Financial Counselling and Credit Reform Association (AFCCRA), now Financial Counselling Australia (FCA). MoneyMinded is a suite of financial education resources, developed to help adults, particularly those of low-income, to build their financial skills, knowledge and confidence. MoneyMinded offers independent and unbiased consumer information.

The program is delivered through a partnership model with a number of community organisations and is widely used by financial counsellors and community educators. A key success factor of MoneyMinded is its adaptability – it can be delivered as workshops to groups of people, or it can be used in one to one casework.

MoneyMinded reaches groups that are marginalised or financially excluded, including migrant groups, people with disability, high school students, prisoners, long-term unemployed and young adults at risk. Since its inception in 2005, it has reached over 160,000 people, making it the most widely used financial literacy program in Australia. To date, over 6,000 facilitators have been trained to use MoneyMinded in Australia (ANZ, 2012; ANZ, 2011c).

The core MoneyMinded resource is comprised of eight topics separated into 19 workshops which can be tailored to meet the needs of individuals. The program includes activities and guides for facilitators, workshop summaries and case studies for participants. Table 1 shows the suite of MoneyMinded topics.

**TABLE 1:  
MONEYMINDED MODULES AND TOPICS**

MODULE	TOPICS
Planning and budgeting	Goals
	Saving and spending
	Money planning
Getting started	Introduction to everyday banking
	Different ways to pay
Understanding paperwork	Types of paperwork
	Bills, bills, bills
Credit providers	Credit and credit cards
	Loans
Dealing with debt	Debt
	Recovery plan
	When paying is difficult
Rights and responsibilities	Golden rules
	The hard sell
	The right to complain
Planning for the future	Investment basics
	Superannuation
A roof over head	Tenancy
	Home ownership

# 1.0 THE DEVELOPMENT AND REACH OF MONEYMINDED

MoneyMinded has been adapted to suit the needs of Aboriginal and Torres Strait Islanders (ATSI). MoneyBusiness is delivered in partnership with the Australian Government in ATSI communities. Over 330 facilitators have been trained to deliver the program in more than 215 locations since 2009. MoneyMinded and MoneyBusiness are the first, and currently the only, financial literacy programs officially endorsed as 'Approved Money Management Courses' for use by government-funded organisations across Australia (ANZ, 2011c).

In 2010, Colmar Brunton conducted the ANZ Ngāi Tahu Financial Knowledge Survey (Colmar Brunton 2010) for Te Rūnanga o Ngāi Tahu (with support from the New Zealand Retirement Commission). Following this, ANZ developed MoneyMinded Aotearoa for iwi (tribes) culture and experiences with the Ngāi Tahu community (ANZ, 2011c).

Similarly, in 2010 MoneyMinded Pacific was adapted from MoneyMinded to help people in the Pacific to build financial knowledge, skills and confidence. The program was successfully piloted in 2010, with over 2,300 staff participating across 11 pacific countries (ANZ, 2011c).

## 1.2 THE REACH OF MONEYMINDED IN AUSTRALIA AND NEW ZEALAND (2011)

This section of the report provides the results of a survey conducted to estimate the reach of MoneyMinded across Australia and New Zealand between 1 October 2010 and 30 September 2011.

The objectives of the survey were to:

- > provide an estimate of the number of MoneyMinded participants in workshops and in one-to-one case work
- > provide an estimate of the number of MoneyMinded facilitators trained during the 12-month period
- > seek recommendations and feedback from delivering organisations about the use and impact of MoneyMinded.

### 1.3 METHODOLOGY

ANZ and RMIT University developed an online survey for completion by facilitators trained to deliver MoneyMinded in Australia and New Zealand.

Notification about the survey was sent to 450 facilitators in Australia and New Zealand. The online link to the survey was also sent to facilitators trained by the MoneyMinded partner organisations including Anglicare SA, The Benevolent Society, Berry Street, Brotherhood of St Laurence, Kildonan UnitingCare, The Smith Family and Mission Australia.

Facilitators were asked to provide details about participants attending MoneyMinded sessions in the 12 month period 1 October 2010 to 30 September 2011. These details included:

- > the total number who had received MoneyMinded education
- > the gender of participants
- > the socio-demographic characteristics of MoneyMinded participants
- > feedback from participants.

For the purpose of our analysis we treat the respondents as though they were a random sample<sup>1</sup>. To then calculate an estimate of the number of participants in the MoneyMinded program we use the sample data to calculate a 95% confidence interval of the mean number of participants per facilitator<sup>2</sup>. We then use the lower bound of this 95% confidence interval to forecast the total number of participants<sup>3</sup>.

#### Terminology

The term 'MoneyMinded facilitator' refers to interested community educators and financial counsellors who have experience in financial counselling and/or adult education and training, have completed the MoneyMinded Facilitator Training Program, and intend to deliver MoneyMinded to members of their communities.

The term 'MoneyMinded participant' refers to a person who has attended one or more MoneyMinded workshops or another type of workshop that has included content from the MoneyMinded program. This includes a person who has received individual counselling with a MoneyMinded facilitator where MoneyMinded content has been used in the counselling session, and those who completed an online module of MoneyMinded.

<sup>1</sup> Strictly speaking these respondents are not a random sample.

<sup>2</sup> From our sample of facilitators we calculate the mean and standard deviation of the number of participants trained per facilitator. Given the assumption of treating our sample as random we then use the central limit theorem and the associated normal distribution of the sampling distribution of the mean to calculate the confidence interval.

<sup>3</sup> Our lower bound provides a conservative estimate of the total number of participants. However, the sample is strictly not random so a degree of conservatism is warranted.

# 1.0 THE DEVELOPMENT AND REACH OF MONEYMINDED

## 1.4 RESULTS

Between 1 October 2010 and 30 September 2011, an estimated total of 30,215 people in Australia and New Zealand participated in the MoneyMinded program.

The results show that significantly more women (60.1 per cent) than men participated in the program. Participants were more likely to be sole parents (42.4 per cent); and/or unemployed (41.8 per cent). Ten per cent of participants identified as Aboriginal and Torres Strait Islander (ATSI) and 20 per cent were from non-English speaking backgrounds (NESB).

**TABLE 2:  
CHARACTERISTICS OF  
MONEYMINDED PARTICIPANTS**

CHARACTERISTICS OF PARTICIPANTS	(%)
Female	60.1
Male	39.9
Sole parents	42.4
Unemployed	41.8
Language other than English spoken at home	34.2
Carers	27.4
Disabled persons	26.5
New migrant	20.6
Aboriginal and Torres Strait Islander	10.4
Under 18 years of age	12.4*
Over 65 years of age	5.0*
Others	16.6

\* Very small sample size, the average may not be correct.

### Feedback from facilitators

Between 1 October 2010 and 30 September 2011, an estimated 2,629 facilitators were delivering MoneyMinded across Australia and New Zealand. The survey gave facilitators an opportunity to give their views on the value of the program to their communities and to report feedback they had received from participants of the program.

When asked what value the MoneyMinded program had for their particular community or client base, facilitators were very positive and strongly supported the content and format. Many identified 'budgeting skills' as one of the most important topics that has helped low income clients establish some control over their finances and avoid crisis.

A recurrent theme in the feedback was the importance of the program in effecting change in the lives of participants, by helping to build life skills such as planning for the future and becoming aware of spending patterns. Facilitators used terms like 'empowered' to describe how the program had a direct impact on the way participants approached their finances. Many attributed this to program content, including its ease of use, and adaptability to the diverse needs and circumstances of participants. A number of facilitators said they adapted the materials and content to use in individual counselling and also in ongoing support of participants.

*'It helps to establish spending patterns and achievable financial goals. Enables conversations around individual circumstances, resources and solutions.'*  
(The Smith Family, regional Victoria)

Most facilitators reported that participants were enthusiastic in their praise of the program and the practical benefits they had experienced in their lives.

The facilitator's views were overwhelmingly positive and confirmed that the MoneyMinded program is valuable and effective in assisting their client groups improve their financial situations. They reported clear examples of the immediate benefits of the program and believed the material, content and format of the program met their client's needs well.

Facilitators reported that they received predominantly favourable feedback from participants. Most facilitators reported that participants were enthusiastic in their praise of the program and the practical benefits they had experienced in their lives. For example, one facilitator said:

*'Initially some participants grumbled about doing a reflective sheet on where the week's expenses were, but all later said 'thank goodness' we had to do it – it was an eye opener.' (Solutions Adult Learning Centre, Queensland)*

The topics that participants reported to facilitators as being most important were budgeting, identifying spending and learning to save, with many participants reporting to be able to save, clear debt and make purchases while on low incomes. A number of facilitators commented that some of their participants on very low incomes had made significant changes to their spending and saving habits, which had also given an important boost to their self-esteem and sense of control in their lives. A facilitator recounted the following feedback given to them by a participant:

*'I am now saving money for the first time in my life. I am no longer afraid to open my bills.' (Anglicare SA, South Australia)*

and from another:

*'It was like a weight off my shoulders to gain some financial insight and it wasn't as scary as I had imagined it would be.' (Zena Women's Service, Victoria)*

Participants reported to MoneyMinded facilitators the tools and simple activities as a key element in making the program accessible and useful in their daily lives. Commonly mentioned were the 'smart goals', 'budgeting', 'needs vs wants', 'spending diary', 'goal setting' and 'spending leaks'. It is also clear from some facilitator comments that the simple exercises in identifying spending habits revealed patterns that participants had not been aware of, such as:

*'I did not realise how much money I spent on bottles of water in one week. Now I am taking water from home.' (Granville Multicultural Community Centre, New South Wales)*

Participants reported to facilitators they were 'better informed' and able to get 'life back on track' which indicated that the program had a direct impact on their future and quality of life overall.

A few facilitators indicated that a number of their participants were interested in refresher or follow-up sessions on additional topics such as loans and mortgages.

## 2.0 CASE STUDY ONE: IMPACT OF MONEYMINDED IN AUSTRALIA

In addition to estimating the extent of the reach of MoneyMinded across Australia and New Zealand, the effect of MoneyMinded on the financial behaviour of a sample of participants in Australia was also examined.

### 2.1 METHODOLOGY

A survey was sent to individuals who participated in MoneyMinded Basics between 1 October 2010 and 30 September 2011. The program was delivered to these participants by a number of the MoneyMinded partners across Victoria, New South Wales, South Australia and Queensland. All individuals completed the same MoneyMinded modules. Table 3 shows the modules completed by the sample of MoneyMinded participants in this case study.

The survey was sent to 124 individuals who consented to participate in the research and 97 participants responded giving a response rate of 78.2 per cent.

The survey was based upon a retrospective pre-test methodology which asks the respondent to indicate their money management behaviours before they completed MoneyMinded and then post-completion within the one questionnaire. This enabled assessment of behaviour change and development of tentative conclusions about the effect of the program on money management behaviours, attitudes and confidence levels.

Based upon the financial capability domains developed by Atkinson et al. (2006) for the Financial Services Authority in the UK, the survey captured information about managing money; planning ahead; choosing products; and staying informed. We also added indicators for wellbeing and life satisfaction.

**TABLE 3:  
MONEYMINDED BASICS PACKAGE**

WORKSHOP	OVERVIEW
Workshop 1: Planning and Budgeting	Introduction and overview
	Attitudes to money
	Knowledge is power
	Goal setting
	Needs and wants
	Prioritisation
	Pay yourself first
	Spending leaks
Workshop 2: Saving and Spending	Spending diary
	The cost of things
	Generating extra money
	The importance of planning and budgeting
	Personal budget
Workshop 3: Everyday Banking	Budget busters
	Where can you keep your money?
	The link between savings and loans
	Money providers
	Secured and unsecured debt
	Credit cards
	Read the fine print
	Recognising scams
	Risk versus return
	Low or fee free banking
	Online accounts
Tips for managing accounts effectively	
Workshop 4: Planning for the Future	Banking scams
	Support networks
	Where to go for help
	Superannuation
	Locating your superannuation
	Consolidating your superannuation
	Other matched savings programs
Revising the personal budget	

## 2.2 PARTICIPANTS

The sample of research participants had the following characteristics:

- > the majority (78.7 per cent) were female
- > about half the cohort were under 40 years of age (52.6 per cent)
- > 46.9 per cent had a tertiary qualification from university, TAFE or technical college
- > more than 42 per cent of the respondents were unemployed; 27 per cent were employed; 12.4 per cent were students and 9.3 per cent were retired
- > most participants had either two adults (65.2 per cent) or one adult (26.3 per cent) living in the household
- > participants were likely to be renting a home (43.8 per cent) or paying a mortgage on the home they live in (27.1 per cent)
- > almost half the sample were couples with dependent children (42.1 per cent) and 15.8 per cent identified as a sole parent with children; 10.5 per cent of past participants were single with no dependent children and 12.6 per cent were living at home with a parent or parents
- > the majority of participants (61.1 per cent) received most of their income from government benefits and 38.9 per cent from paid employment; 37.8 per cent of participants received a weekly income between \$400 and \$599 and a third of participants (33.3 per cent) received less than \$400 per week.

## 2.3 MANAGING MONEY

Managing money is one of the four domains of financial capability developed by Atkinson et al. (2006). This domain includes saving behaviour, use of credit, managing debt, making ends meet and attitudes towards saving and spending.

### Saving deposits and total savings

Since completing MoneyMinded, 66.3 per cent of participants had increased their monthly saving deposits. Overall, 88.6 per cent of respondents reported that because of MoneyMinded, they had cut back on their weekly or monthly spending in order to save – this compares very positively to the overall finding of a recent study (ING Direct 2011) that found 38 per cent of Australian households had reduced unnecessary spending in order to save. This behaviour implies regular use of a budget, being able to identify needs and wants, and careful planning of expenditure. All these principles are important in effective financial management behaviour.

However, the value of savings held by the participants was quite low which could indicate potential financial vulnerability (ANZ, 2011). 54.1 per cent of the participants reportedly had less than \$500 in total savings. 29.6 per cent of participants had between \$500 and \$3,000 and 16.3 per cent had more than \$3,000 as their total savings.

**TABLE 4:  
TOTAL AMOUNT OF SAVINGS**

<b>HOW MUCH DO YOU HAVE IN SAVINGS?</b>	<b>(%)</b>
Less than \$100	25.5
More than \$100 but less than \$500	28.6
More than \$500 but less than \$1,000	13.3
More than \$1,000 but less than \$3,000	16.3
More than \$3,000	16.3

## 2.0 CASE STUDY ONE: IMPACT OF MONEYMINDED IN AUSTRALIA

Before enrolling in MoneyMinded, 43.9 per cent of participants reported that they were most likely to save odd amounts when they could. A significant proportion of respondents reported they were never able to save before the program (29.6 per cent) while only 26.6 per cent were able to save regularly. After the program however, 40.8 per cent more participants reported saving on a regular basis and 24.5 per cent of people who were never able to save before the program, were able to do so.

**TABLE 5:  
CHANGE IN SAVINGS PATTERN**

<b>DESCRIBE YOUR SAVINGS PATTERN</b>	(%)		
	<b>Before MoneyMinded</b>	<b>After MoneyMinded</b>	<b>Change</b>
I save a set amount on a regular basis	13.3	34.7	21.4
I save what is left over after expenses on a regular basis	13.3	32.7	19.4
I save odd amounts when I can	43.9	27.6	(16.3)
I was never able to save	29.6	5.1	(24.5)

### **Method and frequency of transactions to savings account**

Of those who were able to save, a large proportion were more likely to take cash to the bank to make their savings deposits (32.7 per cent), or transfer funds from another account (30.6 per cent), while 12.2 per cent would use automatic deductions (Auto-pay or from their bank accounts).

**TABLE 6:  
METHOD OF DEPOSITS TO SAVINGS ACCOUNT**

<b>IF YOU ARE ABLE TO SAVE, HOW DO YOU MAKE YOUR SAVINGS DEPOSITS?</b>	(%)
Take cash to the bank	32.7
Automatic deductions from my pay (Auto-pay)	6.1
Transfer from another account	30.6
Automatic deductions from my bank account	6.1
I am unable to save	4.1
Other	20.4

Regular and systematic saving behaviour ensures the best savings outcomes (Kempson & Finney, 2009). More than half the cohort (56.7 per cent) reported they were able to put money into their savings account at least monthly while a further 16.5 per cent managed to do so every three months.

Many participants (38.8 per cent) reported they had taken money out of their savings account in the month prior to completing the survey, while a further 26.5 per cent had done so in the three months prior to completing the survey. 27.6 per cent reported they had not taken any money out of their savings account in the last three months – this is almost the same as the number of people who said they were able to save regularly (26.6 per cent).

### Approach to saving

Just as saving behaviour varies widely between individuals, so does individual approach or attitude towards saving. The research shows that saving and spending behaviour is influenced by more than just knowledge and skills and is shaped by many underlying factors such as family upbringing, family wealth, parent's education (Hibbert et al., 2004; Danes & Haberman, 2007; Lusardi, 2010) and societal expectations (Anthes & Most, 2000).

A large proportion of respondents (75.5 per cent) were encouraged to save when they were children. This is encouraging as the habits learned when young are more likely to be embedded or returned to in later life if the capacity is present.

In exploring the saving behaviour of low-income individuals, it is important to note that while the mindset or attitude toward saving may exist, insufficient income may severely limit efforts to save.

**TABLE 7:  
FREQUENCY OF TRANSACTIONS ON SAVINGS ACCOUNT**

HOW OFTEN HAVE YOU OR YOUR PARTNER TRANSACTED ON YOUR SAVINGS ACCOUNT IN THE LAST THREE MONTHS?	(%)	
	Deposit to savings account	Withdraw from savings account
Transact at least once every month	56.7	38.8
Transact at least once in three months	16.5	26.5
No transaction in last three months	16.5	27.6
Don't know	10.3	7.1

## 2.0 CASE STUDY ONE: IMPACT OF MONEYMINDED IN AUSTRALIA

36 per cent of participants described their approach to saving as 'saving up for a specific purpose' – they could be described as 'instrumental' savers (Kempson et al., 2009). 28.9 per cent of participants reported they would like to save for the long term and 20.6 per cent 'save for a rainy day', which also indicates future-focused intentions of saving. Individuals in these categories are more likely to have a financial buffer in the case of unexpected events.

In exploring attitudes to saving and spending we asked the respondents if they saw themselves mainly as a 'saver' or a 'spender'. The majority either agreed (46.2 per cent) or strongly agreed (20.4 per cent) that they considered themselves to be more of a saver than a spender.

The majority of the participants (78.7 per cent) disagreed with the statement 'you prefer to buy things on credit, rather than wait and save up'. This suggests that MoneyMinded participants are particularly averse to the idea of credit and would ideally like to save up for items that they want or need. This is also consistent with the finding in this study that 75.5 per cent of this cohort did not currently have a credit card debt.

**TABLE 8:  
APPROACH TO SAVINGS**

DESCRIBE YOUR ATTITUDE OR APPROACH TO SAVING	(%)
I save for a rainy day	20.6
I tend to put money away for no particular reason	11.3
I save up to buy things I want or need	36.1
I tend to put money away for the long term	28.9
Other	3.1

### Budgeting and making ends meet

Budgeting income and expenditures is a key component of financial capability (Atkinson et al., 2006). 67.3 per cent of participants reported using a household budget more often than before they completed MoneyMinded. This is a pleasing result, as a recent study showed that only 36 per cent of Australian households felt they had improved their household budgeting skills in the last year (ING Direct, 2011).

**TABLE 9:  
USE OF HOUSEHOLD A BUDGET**

DO YOU USE A HOUSEHOLD BUDGET?	(%)
Use a household budget more often after MoneyMinded	67.3
Use a household budget about the same after MoneyMinded	23.5
Use a household budget less often after MoneyMinded	1.0
Don't use a budget	8.2

Being able to make ends meet (that is, living within one's means) is an important component of the 'managing money' domain of financial capability in the Atkinson et al. framework (2006). One key measure is whether or not an individual runs short of money before their next income payment is due.

We asked the MoneyMinded participants to indicate how often they had money left over by the time they received their next income payment. Fewer than half (46.4 per cent) of the respondents reported they always or more often than not had money available before their next pay-day arrived. This is more an indicator of the low levels of income received by this cohort of participants with a significant proportion receiving government benefits as their main source of income.

However, 91.6 per cent of respondents reported that the lessons learned in MoneyMinded had given them greater capacity to make ends meet.

**TABLE 10:  
MONEY LEFT OVER  
BEFORE NEXT PAY DAY**

<b>HOW OFTEN DO YOU HAVE MONEY LEFT OVER WHEN YOUR NEXT INCOME PAYMENT IS DUE?</b>	<b>(%)</b>
Always	19.6
More often than not	26.8
Sometimes	32.0
Hardly ever	18.6
Never	3.1

## **Control over finances**

There is growing recognition that there are strong links between levels of financial capability and overall wellbeing. It has long been established in the health discipline that high levels of stress, including financial hardship, can lead to physical health problems. Increasing numbers of studies confirm the correlation between levels of financial capability and psychological wellbeing (Sakalaki et al., 2005; Abey & Ford, 2008; Shim et al., 2009).

General wellbeing is directly affected by levels of control one has over their finances (AMP Natsem, 2010). Overall, 93.7 per cent of respondents in our sample felt they had more control over their finances because of MoneyMinded.

This is a very positive result which indicates that MoneyMinded has the potential to increase levels of overall wellbeing as well as helping people to manage their money effectively.

Being in control of finances however is positively associated with higher levels of income and also with having savings and investments of more than \$2,000 (ANZ, 2011a). Even though this sample of Australians has predominantly lower incomes and lower levels of savings, MoneyMinded has made a significant difference to their levels of control over their money.

**TABLE 11:  
CONTROL OVER FINANCES**

<b>BECAUSE OF MONEYMINDED YOU FEEL YOU HAVE MORE CONTROL OVER YOUR FINANCES</b>	<b>(%)</b>
Strongly agree	45.8
Agree	47.9
Disagree	5.2
Strongly disagree	1.0

## 2.0 CASE STUDY ONE: IMPACT OF MONEYMINDED IN AUSTRALIA

### Debt management

A study by ING Direct (2011) showed that many Australian households seem to have weathered the financial vagaries of the global financial crisis (GFC), with 65 per cent reporting their financial position has improved or held steady (ING Direct, 2011). Consumers in general have become more cautious, and have adopted a 'deleverage debt' strategy. 24 per cent of Australian households had paid down most of their credit card debt, while a further nine per cent had closed out credit cards altogether. Overall, 17 per cent of Australians no longer had a credit card, compared to 11 per cent in the first quarter of 2011. However, the ING Direct study also found that one in three (32 per cent) households said their financial wellbeing had deteriorated in the last year, with the overwhelming hurdle being increased living costs such as food, power and transportation.

Of the sample of MoneyMinded participants in this research, 24.5 per cent had credit card debt that would not be paid off within the interest-free period. This resonates with recent research by the Australia Institute (2010) which found that up to 30 per cent of Australians were using their credit cards to pay essential bills rather than for discretionary spending and did not pay off their credit card balance in full each month.

23.5 per cent of MoneyMinded participants reported owing money to family and friends while only 5.1 per cent had a personal loan from a bank. This pattern of debt is quite consistent with ABS findings that low economic resource households are three times more likely to borrow from their family and friends to make ends meet (ABS, 2011).

While only 5.1 per cent of MoneyMinded participants had debt for the purchase of household goods, 28.9 per cent indicated they had overdue utility bills, 7.1 per cent had overdue council rates and 10.2 per cent overdue tax bills – which points to elevated levels of financial stress. For low economic resource households in Australia, 31 per cent similarly reported they were unable to pay utility bills on time (ABS, 2011).

**TABLE 12:  
TYPES OF DEBT**

DO YOU CURRENTLY HAVE ANY OF THE FOLLOWING TYPES OF DEBTS?	(%)	
	Yes	No
Credit card debt (not including any money you intend paying off before the interest free period ends)	24.5	75.5
Store credit	2.0	98.0
Borrowings from family or friends	23.5	76.5
Personal bank loan	5.1	94.9
Household goods bought on hire purchase	3.1	96.9
Household goods purchased through store finance	2.0	98.0
Overdue utility bills	28.9	71.1
Overdue council rates bill	7.1	92.9
Overdue tax bill	10.2	89.8
HECS debt	8.2	91.8

92.5 per cent of respondents reported that, since completing MoneyMinded, they were better equipped to deal with unexpected expenses.

More than half (57.3 per cent) of the MoneyMinded participants also indicated that their overall household debt (excluding any mortgage) had increased or stayed the same over the last 12 months. 14.4 per cent reported obtaining a cash loan in that period.

In order to understand the level of debt held by MoneyMinded participants, we asked them to indicate how much money would be needed to pay off all their debts. Nearly half the respondents (42.6 per cent) needed less than \$500 to pay off all their debts, but 39.3 per cent of participants reportedly needed over \$2,000 to pay off their debts.

**TABLE 13:  
HOUSEHOLD DEBT OVER THE LAST  
12 MONTHS**

<b>NOT INCLUDING A MORTGAGE, WHAT HAS HAPPENED TO YOUR OVERALL HOUSEHOLD DEBT OVER THE LAST 12 MONTHS?</b>	<b>(%)</b>
Increased	21.9
Stayed the same	35.4
Decreased	18.8
You have no debt	24.0

## 2.0 CASE STUDY ONE: IMPACT OF MONEYMINDED IN AUSTRALIA

### 2.4 PLANNING AHEAD

Being able to plan for saving and spending ahead of time is an important component of financial capability. Education programs such as MoneyMinded encourage participants to increase the timeframe in which they plan their saving and spending. One of the biggest financial challenges that low-income households face is the arrival of semi-regular large expenses such as car registration, and even utility bills that arrive every quarter. Many participants report that while they plan fortnightly expenditure, they don't plan further in advance and when these semi-regular bills come in they find it difficult to cope with them financially.

#### Paying for unexpected expenses

Factoring unexpected expenses into the budget is an important part of planning ahead. Everyone experiences, at some point, an unexpected cost associated with life – health, family or incidents that we can't control. Being able to cope financially with unexpected expenses can make the difference between maintaining wellbeing or spiralling into debt and experiencing increased levels of stress. 92.5 per cent of respondents reported that, since completing MoneyMinded, they were better equipped to deal with unexpected expenses. This suggests that they are now planning ahead and/or saving for a rainy day – these are also important components of financial capability.

Overall, the majority of MoneyMinded participants (70.1 per cent) said that they were fortunate not to have experienced an unexpected expense in the previous 12 months. Even if they hadn't experienced an unexpected expense in the previous 12 months, the respondents were asked how they would pay for an unexpected expense of around \$3,000 if they did experience this. Table 14 shows that the majority of participants (58.1 per cent) would use savings or part of their savings to pay for an unexpected expense. A significant proportion would need to borrow from family or friends. This is consistent with other research showing that debt to family and friends is very common among low-income individuals.

**TABLE 14:  
METHOD OF PAYING FOR AN  
UNEXPECTED EXPENSE**

HOW DID YOU PAY FOR THE UNEXPECTED EXPENSE? OR IF YOU DID HAVE AN UNEXPECTED EXPENSE, HOW WOULD YOU PAY FOR IT?	(%)
Use your savings or part of it	58.1
Use your credit card	11.8
Borrow from family or friends	22.6
Borrowed money elsewhere	7.5

As seen in Table 15, which compares participant's planning behaviour before MoneyMinded and after completing the program, timeframes for planning have increased substantially as a result of the program. Prior to MoneyMinded, 75.3 per cent of all respondents reported that they were planning their spending and saving only for the week or two ahead. This figure dropped to 46.9 per cent post-MoneyMinded. Similarly, before MoneyMinded, only 9.4 per cent of participants planned their saving and spending over a period of a year, but this figure increased to 29.2 per cent after MoneyMinded. The results are statistically significant.

Planning for the future is a key financial capability and when respondents were asked about this, 93.7 per cent agreed or strongly agreed that their involvement in the MoneyMinded program did improve their ability to plan ahead and 'stay on top of things', financially.

### Dealing with financial problems

While financial problems are common to all people living in a monetised society, the ability to effectively deal with problems, having the knowledge and skills, and knowing where to go for help makes the difference between coping well and suffering further detrimental consequences. The respondents were asked about their ability to deal with financial problems post-MoneyMinded. The overwhelming majority (89.6 per cent) agreed or strongly agreed that they now had the necessary skills to deal more effectively with financial problems compared to the time before they completed MoneyMinded.

**TABLE 15:  
TIMEFRAMES FOR PLANNING SAVINGS AND SPENDING**

<b>WHAT TIMEFRAME DO YOU PLAN YOUR SAVINGS AND SPENDING OVER?</b>	<b>Before MoneyMinded</b>	<b>After MoneyMinded</b>	<b>Change</b>
The next week or fortnight	75.3	46.9	(28.4)
The next few months	15.5	24.0	8.5
The next year	6.2	19.8	13.6
The next 2-4 years	0.0	5.2	5.2
The next 5 years	3.2	4.2	1.0

(%)

## 2.0 CASE STUDY ONE: IMPACT OF MONEYMINDED IN AUSTRALIA

The most commonly reported response was that after attending MoneyMinded, their knowledge and understanding of financial products had increased (96.9 per cent).

### 2.5 CHOOSING PRODUCTS

Being aware of the range of financial products available and their characteristics, and having confidence in dealing with financial institutions, is a measure of financial capability. The respondents were asked about their knowledge of various financial products available and their confidence in dealing with financial institutions. The results are reported in Table 16. The most commonly reported response was that after attending MoneyMinded, their knowledge and understanding of financial products had increased (96.9 per cent) and they were more confident in dealing with banks and other financial institutions (88.6 per cent).

**TABLE 16:  
KNOWLEDGE OF FINANCIAL PRODUCTS**

<b>BECAUSE OF MONEYMINDED YOU HAVE INCREASED YOUR...</b>	(%)	
	<b>understanding of the different types of financial products available</b>	<b>confidence in dealing with banks, building societies and other financial institutions</b>
Strongly disagree	0.0	2.1
Disagree	3.1	9.4
Agree	61.1	54.2
Strongly agree	35.8	34.4

## Superannuation

Superannuation is a topic that is covered in the MoneyMinded program. The majority of participants (79.8 per cent) have kept their superannuation contributions the same since MoneyMinded and 2.4 per cent have increased their superannuation contributions.

## Bank accounts

Following the completion of MoneyMinded participation, 6.2 per cent of respondents said they had changed bank accounts to ones that better suited their needs.

## Insurance

When respondents were asked about their uptake of new insurance policies, the majority (93.8 per cent) said that they had not taken out any new policies.

## Consumer behaviour

Shopping behaviour was also examined and respondents were asked about whether they shop around more when buying products or services following participation in MoneyMinded. The results showed that most people had improved their purchasing behaviour and were somewhat 'savvier' in how and where they shopped. Most people (90.6 per cent) agreed or strongly agreed that they were more informed shoppers since completing MoneyMinded.

## Knowing where to get help with financial decision-making

While financial education programs such as MoneyMinded are able to provide a foundation for effective money management behaviour, they are not able to address the wide range of financial issues and problems that may be encountered by participants in the future. What financial education programs can do, and what MoneyMinded does, is provide to participants information and knowledge about where to go to receive financial help and advice when it is required. This has been a valued component of MoneyMinded among participants. Approximately 94 per cent of respondents said, because of MoneyMinded, their awareness of where to go for advice in making financial decisions had increased.

Similarly, participants reported that MoneyMinded helped them become aware of their rights and entitlements as citizens and consumers. As a result of completing MoneyMinded, 90.6 per cent of participants agreed that they are more aware of their rights and resources available for them. This is important for participants of MoneyMinded in general as most receive low-incomes and are more likely to be in receipt of government benefits. There are many people in this situation who do not have full knowledge and awareness of entitlements or resources that are available to them.

**TABLE 17:  
KNOWING WHERE TO GET HELP**

<b>BECAUSE OF MONEYMINDED YOU HAVE INCREASED KNOWLEDGE OF WHERE TO GET HELP</b>	<b>(%)</b>
Strongly agree	1.0
Agree	5.2
Disagree	52.1
Strongly disagree	41.7

## 2.0 CASE STUDY ONE: IMPACT OF MONEYMINDED IN AUSTRALIA

### 2.6 STAYING INFORMED

After completing MoneyMinded, participants reported greater awareness of financial trends such as the housing market (38.1 per cent), interest rates (53.2 per cent) and offers for utility products such as gas and electricity (63.8 per cent). The majority of participants (73.4 per cent) have more frequently been keeping track of store sales and special offers.

### 2.7 IMPACTS ON INDIVIDUALS AND FAMILIES

Results showed that participation in MoneyMinded had flow on benefits to the individual's family and social networks. For example, 92.8 per cent of respondents reported that through participating in MoneyMinded, they were able to encourage their children and other family members to save. Also 87.6 per cent of the respondents had shared MoneyMinded lessons and experiences with family and/or friends.

In light of the emerging research about the relationship between wellbeing and having control over finances (Taylor et al., 2009), we asked the MoneyMinded participants to rate their levels of life satisfaction and compared it to the measure on having control over finances (see Table 11). Confirming the research, participants who reported having more control over their finances also rated their levels of life satisfaction higher than those who had lower levels of control over their finances.

High levels of debt, especially credit card debt or personal loans, can negatively impact life satisfaction. Those participants owing a smaller amount of debt (\$1000 or less), had the highest levels of life satisfaction, while those with a debt between \$2,000 and \$4,000 were more likely to be dissatisfied with life.

### Other indicators of wellbeing: personal, social and connectedness

This evaluation sought to identify links between wellbeing, financial literacy and capability in this sample of MoneyMinded participants. The participants did report a range of positive impacts on their personal lives. Overall, since participating in the program 80 per cent of respondents reported feeling less stressed about the future; 89.7 per cent reported increased levels of confidence in other aspects of life; and for 92.7 per cent of participants it provided the opportunity to meet new people.

**TABLE 18:**  
**SOCIAL IMPACTS OF MONEYMINDED**

HOW STRONGLY DO YOU AGREE OR DISAGREE WITH THE FOLLOWING STATEMENTS?	(%)			
	Strongly disagree	Disagree	Agree	Strongly agree
Since doing MoneyMinded you feel less stressed about the future	2.1	17.9	49.5	30.5
Since doing MoneyMinded you feel more confident in other aspects of your life	1.0	9.3	60.8	28.9
MoneyMinded gave you the opportunity to meet new people	0.0	7.4	67.4	25.3
One of the things you liked the most about MoneyMinded was mixing with other people	1.0	12.5	64.6	21.9
MoneyMinded has helped you feel more connected with your community	1.1	17.9	57.9	23.2

Overall, participants increased their level of wellbeing, with the positive effects from the program often extending to children and other family members.

## 2.8 CONCLUSION

This evaluation has again confirmed the effectiveness of MoneyMinded as a program that can increase levels of financial capability among low-income households. An extremely positive finding is that 73.2 per cent of participants have reported saving in the three months after completing the program.

Investment in programs which support increased levels of financial literacy and capability is often focused on enabling families to better cope with economic shocks and maintain financial and household stability through times of crisis. MoneyMinded has enabled participants to do this. Importantly, because of MoneyMinded, 92.5 per cent of participants report being better able to cope with unexpected expenses. Further, 93.7 per cent of MoneyMinded participants report they are more capable of planning ahead for their spending and saving, which is an important dimension of financial capability. This is encouraging given that planning ahead is less likely to be demonstrated by low-income individuals than with those of higher incomes (ANZ, 2011a).

Additionally, MoneyMinded participants generally demonstrated positive attitudes towards savings, a capacity to save and reduced debt levels. Overall, participants increased their level of wellbeing, with the positive effects from the program often extending to children and other family members.

The results of this evaluation and the demonstrated positive impact on both the participant's wellbeing and their financial lives, show there is a valuable return on the investment in MoneyMinded.

## 3.0 CASE STUDY TWO: MONEYMINDED IN THE PACIFIC

In 2010, ANZ adapted MoneyMinded for use in New Zealand (NZ) and the Asia Pacific region under a Group-wide commitment to improving the financial capability of disadvantaged communities. ANZ has ongoing plans to roll out MoneyMinded across the Pacific Islands following the successful piloting of MoneyMinded Pacific with over 2,300 local ANZ staff (ANZ, 2011b).

The objectives of MoneyMinded Pacific are to:

- > make a long term difference to the financial wellbeing of ANZ staff and members of the Pacific community
- > deliver on two key priorities of ANZ's Corporate Responsibility Framework, which are financial capability, and the economic and social divide between urban and rural communities.

The introduction of MoneyMinded Pacific builds on financial literacy and inclusion programs ANZ has developed in partnership with community organisations in Australia and NZ, including programs developed for Australia's ATSI communities. With ANZ having a long history in the Pacific, MoneyMinded Pacific aims to build financial knowledge, confidence and skills in communities in this important region.

MoneyMinded Pacific complements ANZ's rural banking and microfinance initiatives to rural and remote areas using mobile banking centres, which were part of the 'Banking the Unbanked' program. This program has operated since 2004 throughout ANZ's Pacific network and has reached 80,000 people in remote communities, who now collectively have over USD2M in savings.

In 2011, ANZ launched MoneyMinded Pacific in American Samoa, Fiji, Papua New Guinea and the Cook Islands. The pilot program was very well received. The program will now be expanded further following the appointment of 33 MoneyMinded facilitators and four lead facilitators, who will train community partners and ANZ staff to deliver the program (ANZ, 2012; ANZ, 2011c).

MoneyMinded Pacific helps participants differentiate between needs and wants and properly plan for short and long term goals. This is achieved through workshops that share savings tips, budgeting skills, tips on how to have assertive conversations if family or community members ask for money and information about credit and loans. Participants are shown how to achieve their financial goals by using real life examples such as making money last and planning for the future.

MoneyMinded Pacific has the following modules:

**TABLE 19:  
MONEYMINDED PACIFIC MODULES**

MODULE	OVERVIEW
Planning for the future	Setting goals and vision board
Making money last until pay day	Identifying spending How to make money last
Needs and wants	Defining needs and wants Identifying needs and wants
Budgeting	Personal budget
Assertiveness and saying 'no'	Strategies for how and when to say 'no'
Committing to action	Revisiting and committing to goals and vision boards

### 3.1 METHODOLOGY

A survey was distributed to a sample of participants who had completed MoneyMinded Pacific in 2010 and 2011 in Fiji and Papua New Guinea. The survey aimed to capture financial capabilities, knowledge and attitudes prior to undertaking the program and after completing the program. The analysis is based on 47 returned questionnaires – 32 from Fiji and 15 from Papua New Guinea. The results reflect the combined responses to allow for statistical tests of significance.

The majority of participants completed the MoneyMinded Pacific program approximately 12 months prior to responding to the survey.

In addition, interviews were conducted with two MoneyMinded Pacific facilitators and eight participants who completed the program. The interviews give richness to the survey data and illustrate the impact the program has had on the lives of the individual participants.

#### Fiji

Fiji is one of the more advanced economies of the Pacific countries and has a population of approximately 883,000 people. While urban poverty levels have declined over the last couple of years to an estimated 26 per cent of the population living below the poverty line, rural poverty levels are not reducing and are estimated at being in excess of 44 per cent (World Bank, 2011).

In October 2004, a partnership was formed between UNDP's Financial Inclusion program and ANZ's Rural Banking operations to provide access to banking services, together with a financial literacy program that would improve the economic wellbeing of people in rural areas in 12 of the 14 provinces in Fiji. A cash-based economy in today's rural communities creates a challenge for Fijians, especially in villages. One of these challenges is balancing between saving for themselves and their families and for their communal activities.

In March 2011, ANZ trialled MoneyMinded Pacific in the community by conducting workshops with staff of the freight forwarding company, Williams and Gosling Limited and their spouses. In April 2011, ANZ ran MoneyMinded workshops for villagers and microfinance entrepreneurs from surrounding villages and schools in Savusavu, Taveuni, Koro, Gau and Levuka during the week-long Reserve Bank of Fiji Microfinance Exposition. 475 participants attended these workshops during the event.

#### Papua New Guinea

Papua New Guinea is Australia's closest neighbouring country. Papua New Guinea has a population of approximately 6.5 million with most living in isolated, rural regions.

15 per cent of the population is employed in the formal sector and most are financially excluded. There is very little access to financial services or basic products such as savings or loans for most of the population. It is estimated that the proportion of 'unbanked' people in Papua New Guinea is 85 per cent (FDC, 2010). The provision of financial services is hampered by the extreme terrain and isolation of the villages. However, developments in mobile banking technology are rapidly extending access to financial services across Papua New Guinea.

ANZ commenced a MoneyMinded pilot in Papua New Guinea in 2011, targeting local staff, customers and other stakeholders initially as a means of building existing relationships in the country. At the time of this survey, around 216 people had participated in the program, including staff of Coffey International Ltd, the Department of Foreign Affairs and Trade (Australian Embassy), Gadens Lawyers, Rotarians Against Malaria (RAM) and a group of women from Kerowaghi in the highlands of Papua New Guinea.

## 3.0 CASE STUDY TWO: MONEYMINDED IN THE PACIFIC

### 3.2 PARTICIPANTS

The most common characteristics of the participants in MoneyMinded Pacific are as follows:

- > 54 per cent were male; 46 per cent were female
- > most (73.9 per cent) were employed full-time and 23.9 per cent were employed part-time
- > 42.2 per cent were renting a home and 34 per cent were living at home with parents or parent
- > 40.4 per cent were part of a couple with children
- > just over half (53 per cent) had a university qualification
- > 28.3 per cent were aged between 26 and 30 years and 23.9 per cent were aged between 21 and 25 years
- > participants in Fiji were more likely to earn income between \$15,001 and \$25,000 per year although over a quarter of participants earned between \$7,000 and \$15,000 per year; 23.3 per cent earned over \$45,000 per year
- > participants in Papua New Guinea were most likely to earn between K7,826 (AUD\$3,593) and K20,800 (AUD\$9,550).

### 3.3 MOTIVATION TO DO THE PROGRAM

Participants were asked their main reasons for choosing to do the program and what they hoped to gain from the experience. The most common reason for wanting to undertake the MoneyMinded program was to improve saving behaviour, make the most of income, improve budgeting skills and to better manage cultural and family obligations.

A common financial concern to Pacific Islanders and many Indigenous populations is balancing individual financial goals with cultural and other demands from family and extended family members. Nearly all participants (95.8 per cent) indicated they had, with varied intervals, received requests for money from family members. The interviewees revealed that when there are family celebrations or significant events, such as a death, it is likely that they will be asked to contribute money. Even if the expected contribution is only occasional, it

usually involves significant amounts of money.

*'How do I actually manage all the financial needs that I have in terms of what my family needs from me. . . . I wanted to know more about balancing myself financially to be able to support the greater family.'* (Participant, Fiji)

Cultural obligations, to which family members are expected to contribute, include funerals, weddings and family reunions. The contribution expected from each person is stratified according to their level of earning. For example, one participant said if a family member has a white collar job, the expectation is for that person to make a greater contribution than the others. This is underpinned by a belief that 'family always comes first'. Thus, even if individuals have an intention and capacity to save, they nevertheless found it difficult. Discovering strategies to better manage these expectations was a high priority for participants.

*'For us Fijians, our money is for everybody, it's for our whole family. You know, extended family; and money that was saved in a week is just for everybody, you know? That's what we are – we just give, give, give.'* (Participant, Fiji).

Another common occurrence reported by participants was family members visiting them on pay day asking for money. Participants said that they found it difficult to say 'no' – because they were relatives. They wanted to know how to meet the family obligations without putting their own personal financial situation at risk. One participant said in the past she used her credit card to meet family obligations and that this debt had taken a long time to pay off. When asked why he wanted to do the program, another participant said:

*'There were basically three areas. One was how I could manage my finances effectively, secondly was how I could manage my finances to help me achieve my personal goals – may be from short-term to long term-goals. And the third one, is very interesting – just learning to say, 'no.'* (Participant, Fiji)

### 3.4 MANAGING MONEY

#### Saving behaviour

The program had a significant impact on the saving behaviour of participants. Before the program, a quarter of participants reported they were unable to save, and after the program 4.3 per cent of participants reported being still unable to save.

Not only were the participants more likely to save after the program than before, 61.7 per cent were saving a set amount on a regular basis, an increase of 34 per cent.

Prior to the program most participants saved odd amounts or were unable to save (57.4 per cent). After the program 78.7 per cent were able to save on a regular basis.

**TABLE 20:  
SAVING PATTERNS BEFORE AND AFTER MONEYMINDED**

WHAT TIMEFRAME DO YOU PLAN YOUR SAVINGS AND SPENDING OVER?	Before MoneyMinded Pacific	After MoneyMinded Pacific	Change
A set amount on a regular basis	27.7	61.7	34.0
What was left over after expenses on a regular basis	14.9	17.0	2.1
Save odd amounts when I could	31.9	17.0	(14.9)
Never able to save	25.5	4.3	(21.2)

## 3.0 CASE STUDY TWO: MONEYMINDED IN THE PACIFIC

Three quarters of the participants were also able to increase the amount they saved each month.

One participant lamented she wished she had experienced the lessons in MoneyMinded when younger. She reflected on what her life may have been like if she had always saved.

*'After all these years, you know, I would have been a different person, you know, I would have saved so much. I would have known this. I tell people that come my way, all the things that I have learned now. But I'm saying these people that are young people and have gone to this MoneyMinded, they are so lucky, so fortunate that they have gone through it.'*  
(Participant, Fiji)

**TABLE 21:  
LEVEL OF SAVING DEPOSITS  
AFTER MONEYMINDED**

SINCE COMPLETING MONEYMINDED PACIFIC HAVE YOUR MONTHLY SAVINGS DEPOSITS...	(%)
	After MoneyMinded Pacific
Increased	74.5
Stayed the same	23.4
Decreased	2.1

### Money left over and making ends meet

The participants found a MoneyMinded analogy of money as a bucket of water (needing rationing to last the whole day) to be very valuable and were able to relate their income to that bucket of water. Many participants found it hard to make their income last until the next pay day, so the analogy was very relevant.

The program has had a positive impact on the ability of participants to make their income last from one pay day to the next. After the program there was a 41.5 per cent increase in the number of participants who always had some money left over before their next pay day. Conversely, there was a significant decrease in the number of participants who hardly ever or never had any money left over by the next pay day.

**TABLE 22:  
MONEY LEFT OVER**

BEFORE DOING MONEYMINDED, HOW OFTEN DID YOU HAVE MONEY LEFT OVER BY THE NEXT PAY DAY?	(%)		
	Before MoneyMinded Pacific	After MoneyMinded Pacific	Change
Always	12.8	54.3	41.5
More often than not	8.5	21.7	13.2
Sometimes	34.0	21.7	(12.3)
Hardly ever	38.3	2.2	(36.1)
Never	6.4	0.0	(6.4)

Learning to live within the parameters of their income was also discussed by participants as being an important outcome for them. Not unlike the norms in Australia or any developed country, the participants felt that if they had 'white collar' jobs there was a certain image that was expected of them in the community.

*'You know, here in Fiji there are a lot of people trying to manage expectations. And the perception is that when you're working for a bank or a white collar job, you need to drive this kind of car, you need to wear these kinds of clothes, you need to eat at these kind of restaurants and in these kinds of places, so that's an area that I actually learned was to just live within my means – I have learned to just manage my expectations, what I can afford.' (Participant, Fiji)*

The facilitators confirmed that the topic of budgeting was popular and the participants were able to learn practical skills around managing their income. This topic is core to many of the outcomes experienced by participants including factoring family and cultural obligations into the budget, learning to live within their means and managing expectations.

**TABLE 23:  
MAKING ENDS MEET**

<b>SINCE DOING MONEYMINDED PACIFIC I AM BETTER ABLE TO MAKE ENDS MEET</b>	(%)
Disagree	2.1
Agree	48.9
Strongly agree	48.9

*'The MoneyMinded program has helped me as an individual to prioritise my money and see what's important for my family's needs and better channel my pay packet to what I need to buy for my family. Also, in terms of managing debts better; that was another big take away.' (Facilitator, Fiji)*

Nearly all participants (97.8 per cent) agreed or strongly agreed that since doing MoneyMinded they were better able to make ends meet. This is an important indicator of improved financial capability.

### Budgeting

Developing and using a budget is integral to making ends meet. The majority of participants, since doing MoneyMinded Pacific, regularly or always (66 per cent) use a budget - an increase of 51 per cent.

**TABLE 24:  
BUDGETING**

<b>I USE A BUDGET TO HELP ME MANAGE MY SPENDING</b>	<b>Before MoneyMinded Pacific</b>	<b>After MoneyMinded Pacific</b>	<b>Change</b>
Never	19.1	0.0	(19.1)
Sometimes	40.4	12.8	(27.6)
Usually	25.5	21.3	(4.2)
Regularly	8.5	36.2	27.7
Always	6.4	29.8	23.4

## 3.0 CASE STUDY TWO: MONEYMINDED IN THE PACIFIC

### Meeting cultural and family obligations

After completing MoneyMinded Pacific, there was a significant increase in the proportion of participants who felt more confident dealing with financial obligations to family.

Before the program only about 15 per cent of participants felt confident in saying 'no' when they felt unable to help their family financially, compared to after the program where 70 per cent of participants felt more confident.

**TABLE 25:  
COPING WITH FAMILY AND CULTURAL OBLIGATIONS**

	Before MoneyMinded Pacific	After MoneyMinded Pacific	Change
Never	25.5	2.1	(23.4)
Sometimes	38.3	10.6	(27.7)
Usually	21.3	17.0	(4.3)
Regularly	4.3	38.3	34.0
Always	10.6	31.9	21.9

One of the strategies participants found useful for better managing cultural and family obligations without having to say 'no' to family is to budget for them. One participant explained how they now deal with this issue:

*'... before when families actually come and say 'oh, you need to give this amount', what I've done is I don't actually say 'no', I will say, 'okay, yes, I can actually assist'. So, I don't give the actual amount that they wanted, but participate from the amount that I've put aside every fortnight – so basically, for me, it's a win-win situation.'* (Participant, Fiji)

This example illustrates the ability of MoneyMinded Pacific to work with the cultural and family obligations experienced by participants in the Pacific. The program provides strategies that enable participants to meet their individual financial goals without compromising their ability to meet their obligations to the extended family and community. By having local facilitators deliver the program, who understand and live with the same cultural and family expectations as the participants, further ensures the integrity of the local culture is preserved.

MoneyMinded provides strategies that enable participants to meet their individual financial goals without compromising their ability to meet their obligations to the extended family and community.

### Identifying needs and wants

Being able to distinguish between needs and wants was also a commonly reported lesson by MoneyMinded Pacific participants.

*'Following the program, I actually got around to seeing how I could actually reduce the costs that were involved around me, identifying the needs and the wants and the necessities and the not so necessities. I could actually go back and identify these things.'* (Participant, Fiji)

One participant was able to clearly identify how much money he wasted on food and drinks.

*'Whenever I got time, I buy unnecessarily and then I also noticed that a lot of my pay was going into alcohol, so that really helped me identify the need to stop where my money was going to.'* (Participant, Fiji)

This participant cut down on drinking alcohol and also spent less on unnecessary food.

By using a budget and saving money from spending less on alcohol and takeaway food, this participant was able to set aside a certain amount of funds for saving. The same participant also noticed he was spending a lot of money on taxi fares when he could have caught the bus or walked. He said:

*'Not only has this helped me to save, but it also improved my health.'* (Participant, Fiji)

Indeed, nearly all participants (93.6 per cent) found they were able to cut back on their spending as a result of the program.

**TABLE 26:  
REDUCING SPENDING**

SINCE DOING MONEYMINDED PACIFIC I HAVE CUT BACK ON MY SPENDING IN ORDER TO SAVE	(%)
Disagree	6.4
Agree	63.8
Strongly agree	29.8

## 3.0 CASE STUDY TWO: MONEYMINDED IN THE PACIFIC

### 3.5 PLANNING AHEAD

The MoneyMinded vision board exercise was extremely valuable in helping participants look further ahead in their planning than they had done previously. Creating goals and committing them to paper motivated the participants to achieve financial and life goals. For example, one participant reported:

*'I think putting it on visual and on paper actually reconfirms what you plan in your mind, and that just helps me, reinforces to me, what I need to work on and you know, every time you get your pay cheque and you have your MoneyMinded chart in front of you it works – it just puts a pack on my back or reminds me of what I need to be focusing my money on in terms of what I need to achieve.'*  
(Facilitator, Fiji)

There was an increase of 43.5 per cent in the number of participants who felt more motivated to achieve their goals after completing MoneyMinded.

There was a significant increase in the proportion of participants who regularly set goals and developed a plan to achieve them. Before the program only 4.3 per cent of participants said they regularly set goals and after the program there were 44.7 per cent who regularly set goals. There was also an increase of 12.7 per cent of participants who always set goals.

**TABLE 27:  
MOTIVATED TO ACHIEVE GOALS**

I FEEL MOTIVATED TO ACHIEVE MY FINANCIAL GOALS (%)			
	Before MoneyMinded Pacific	After MoneyMinded Pacific	Change
Strongly disagree	15.2	0.0	(15.2)
Disagree	13.0	10.9	(2.1)
Agee	63.0	37.0	(26.0)
Strongly agree	8.7	52.2	43.5

**TABLE 28:  
GOAL SETTING**

I SET GOALS TO HELP ME SAVE AND CAN MAKE A SMART PLAN TO HELP ACHIEVE THIS GOAL (%)			
	Before MoneyMinded Pacific	After MoneyMinded Pacific	Change
Never	21.3	0.0	(21.3)
Sometimes	51.1	14.9	(36.2)
Usually	19.1	23.4	4.3
Regularly	4.3	44.7	40.4
Always	4.3	17.0	12.7

In setting goals and developing a Specific, Measurable, Achievable, Realistic and Timed (SMART) plan to help achieve them, the participants found they were better able to plan ahead. Nearly all participants (97.9 per cent) agreed or strongly agreed that since doing MoneyMinded, they had more capacity to plan ahead.

In addition to setting goals and developing a plan to achieve them, the participants also increased their timeframe for planning their savings and spending. This is an important outcome of financial education programs because having longer term financial planning timeframes can help alleviate the 'feast and famine' conditions many low-income people suffer. The participants of MoneyMinded Pacific generally extended their time frame from 'the next week or fortnight' to the 'next few months'. There was a decrease of 31.9 per cent in the number of participants who planned for the next week or fortnight and an increase of 19.1 per cent of participants who, after the program, planned for the next few months.

**TABLE 29:  
PLANNING AHEAD**

<b>SINCE DOING MONEYMINDED PACIFIC I AM BETTER ABLE TO PLAN AHEAD</b>	<b>(%)</b>
Disagree	2.1
Agree	59.6
Strongly agree	38.3

### **Coping with unexpected expenses**

Through learning to save, participants felt they had more control over their finances and were confident they had a buffer for economic shocks. 72.3 per cent of the respondents said they had experienced a major unexpected expense during the previous 12 months. Following the program, many participants opened up savings accounts especially to cover these unexpected expenses or for 'rainy days'. Nearly all participants (95.8 per cent) agreed or strongly agreed that since doing the program they were better able to cope with unexpected expenses. Being better prepared financially when things go wrong also has psychological benefits for the individual and alleviates stress in times of crisis. This has a positive impact on participant's wellbeing.

*'Before the MoneyMinded program, I never used to save at all. From the time of the program, I started putting aside \$50 every pay day. I use that money for rainy days. I keep it aside so whenever there is an emergency I use that – for example I have two kids, when they're sick that would be an emergency for me, and I have that money to use.'*  
(Participant, Fiji)

*'Actually, now I'm not worried about any unexpected costs that will come up because it's already saved.'* (Participant, Fiji)

**TABLE 30:  
COPING WITH UNEXPECTED EXPENSES**

<b>SINCE DOING MONEYMINDED PACIFIC I AM BETTER ABLE TO COPE WITH UNEXPECTED EXPENSES</b>	<b>(%)</b>
Disagree	4.3
Agree	59.6
Strongly agree	36.2

## 3.0 CASE STUDY TWO: MONEYMINDED IN THE PACIFIC

### 3.6 CHOOSING PRODUCTS

The program has helped participants understand the difference between types of bank accounts. There was an increase of 51.1 per cent in the number of participants who strongly agreed that since doing the program they have a good understanding of bank accounts.

**TABLE 31:  
UNDERSTANDING BANK PRODUCTS**

**I HAVE A GOOD UNDERSTANDING OF THE DIFFERENT TYPES OF BANK ACCOUNTS AVAILABLE** (%)

	Before MoneyMinded Pacific	After MoneyMinded Pacific	Change
Strongly disagree	8.5	0.0	(8.5)
Disagree	19.1	6.4	(12.7)
Agee	57.4	27.7	(29.7)
Strongly agree	14.9	66.0	51.1

Similarly, there was a 37.5 per cent increase in the number of participants who reported having a good understanding of a range of products, such as loans and savings, after completing the MoneyMinded program.

The results also showed an increase of 53.2 per cent of participants who reported spending more time comparing prices of products and services when they shopped.

**TABLE 32:  
SHOP AROUND FOR PRODUCTS AND SERVICES**

**WHEN I SHOP FOR PRODUCTS AND SERVICES I SPEND TIME COMPARING PRICES** (%)

	Before MoneyMinded Pacific	After MoneyMinded Pacific	Change
Never	19.1	2.1	(17.0)
Sometimes	40.4	8.5	(31.9)
Usually	17.0	12.8	(4.2)
Regularly	17.0	38.3	21.3
Always	6.4	38.3	31.9

There was a significant increase in the proportion of participants (57.8 per cent) who felt more confident about making financial decisions since doing the program.

Many participants (36.2 per cent) have turned their increased knowledge about financial products into action by changing bank accounts to those that better suited their needs. Also, 10.9 per cent of participants had taken out new insurance policies since doing the program.

**TABLE 33:  
CHANGING BANK ACCOUNTS**

SINCE COMPLETING MONEYMINDED PACIFIC HAVE YOU CHANGED YOUR BANK ACCOUNT TO ONE THAT MORE SUITS YOUR NEEDS?	(%)
Yes	36.2
No	59.6

### Financial decision-making

It is important that individuals feel they know where to go for help when faced with a financial decision. Making financial decisions can be difficult and involves many complex factors. There are an overwhelming number of products and providers available in the market. It is impossible for individuals to have expertise in all areas of the financial market so knowing where to go for help is a valuable outcome of financial education programs. Nearly all participants (93.6 per cent) reported knowing more about where to get help with financial decision-making than they did before doing MoneyMinded. Also, all participants (100 per cent) felt they were better able to deal with financial problems than they were before they completed the program.

**TABLE 34:  
KNOWING WHERE TO GET HELP  
WHEN MAKING FINANCIAL DECISIONS**

SINCE DOING MONEYMINDED PACIFIC I AM MORE AWARE OF WHERE TO GET HELP WITH FINANCIAL DECISION MAKING	(%)
Disagree	6.4
Agree	48.9
Strongly agree	44.7

## 3.0 CASE STUDY TWO: MONEYMINDED IN THE PACIFIC

Prior to the program, the majority of participants (66 per cent) reported they knew the right questions to ask when faced with a financial decision. However, after the program 93.6 per cent agreed or strongly agreed that they knew the right questions to ask when making a financial decision.

**TABLE 35:  
KNOWING THE RIGHT QUESTIONS TO ASK**

WHEN PRESENTED WITH A FINANCIAL DECISION (FOR EXAMPLE, HOW TO PURCHASE SOMETHING) I KNOW THE RIGHT QUESTIONS TO ASK (%)

	Before MoneyMinded Pacific	After MoneyMinded Pacific	Change
Strongly disagree	6.4	0.0	(6.4)
Disagree	27.7	6.4	(21.3)
Agree	59.6	36.2	(23.4)
Strongly agree	6.4	57.4	51.0

There was a significant increase in the proportion of participants (57.8 per cent) who felt more confident about making financial decisions since doing the program. The confidence comes with knowing the right questions to ask, knowing where to go for help and feeling more in control of finances.

**TABLE 36:  
LEVEL OF CONFIDENCE IN MAKING FINANCIAL DECISIONS**

I FEEL MORE CONFIDENT ABOUT MAKING FINANCIAL DECISIONS (%)

	Before MoneyMinded Pacific	After MoneyMinded Pacific	Change
Never	6.7	0.0	(6.7)
Sometimes	33.3	4.4	(28.9)
Usually	33.3	11.1	(22.2)
Regularly	20.0	28.9	8.9
Always	6.7	55.6	48.9

### 3.7 IMPACTS ON INDIVIDUALS AND FAMILIES

#### Sharing lessons with family and friends

The survey showed 78.7 per cent of participants shared information with their families and friends and 91.5 per cent have since encouraged their children or other family members to save. These results were also reflected in the interviews with the participants. Interviewees gave examples of how they encouraged changes in household money management, and in helping younger family members open savings accounts and teaching young people about saving.

One participant shared how he has helped his children to learn to save.

*'With my children, I've also encouraged them to save. I've given them spending money and at the same time I told them ... with this spending money see how much you can save out of it. So they kind of like got used to not spending the whole lot, and bringing back some to put in their savings account.'*  
(Participant, Fiji)

One participant, after completing MoneyMinded, helped his two cousins to open savings accounts and to arrange for a direct debit for fortnightly deposits to go straight into the account. He explained to them about compound interest and how much these deposits would be worth in five years and also in ten years. He said his cousins were very receptive to this. In particular, the process of calculating how much savings they could accumulate over time was particularly valuable.

#### Satisfaction with life

MoneyMinded has helped many people feel they have more control over their lives by knowing how to better manage their incomes; by having more confidence in making financial decisions; and knowing where to go to for help in making decisions. Having more control over your life is likely to reduce stress levels and generate feelings of satisfaction with life in general. The MoneyMinded Pacific participants have felt these positive impacts on their lives. The results showed 74.4 per cent of participants reporting to be completely satisfied with their lives post-MoneyMinded compared to 23.4 per cent before MoneyMinded.

**TABLE 37:  
LEVEL OF LIFE SATISFACTION**

HOW SATISFIED ARE YOU WITH YOUR LIFE?	Before MoneyMinded Pacific	After MoneyMinded Pacific	Change (%)
Completely dissatisfied	10.6	2.3	(8.3)
Neutral	66.0	23.3	(42.7)
Completely satisfied	23.4	74.4	51.0

## 3.0 CASE STUDY TWO: MONEYMINDED IN THE PACIFIC

Since the program, many more participants also feel they are better equipped to plan ahead, set financial goals and feel motivated to achieve them.

### 3.8 CONCLUSION

Similar to their Australian counterparts, the Fiji and Papua New Guinea MoneyMinded participants have also reported significant improvements to their financial capabilities since completing the program. The participants feel they have more capacity to deal effectively with cultural and family obligations; there has been a large drop in the number of participants who were unable to save and increases in the amounts of saving deposits. There are more participants who now have money left over before their next pay day and nearly all participants have been able to make ends meet since doing the MoneyMinded program.

Importantly, participants have increased the timeframe for planning their spending and saving, thus reducing the 'feast and famine' cycle experienced by many low-income households. Since the program, many more participants also feel they are better equipped to plan ahead, set financial goals and feel motivated to achieve them.

Confirming the links between well-being and financial capabilities, this research also found evidence that more participants feel satisfied with life than before the program. The increased sense of having control over their finances and lives, feeling more confident in dealing with their financial problems and also in being able to share their capabilities with their families are all factors which lead to greater wellbeing.

# Financially included and financially capable citizens are a 'key component of financial and economic stability and development'.

## 4.1 INTRODUCTION

Awareness of the importance of financial inclusion and financially well-educated populations has grown significantly across the globe. Having access to and the ability to effectively use safe and affordable financial products are basic human rights in a monetised society.

Financially included and financially capable citizens are a 'key component of financial and economic stability and development' (OECD, 2009b). The OECD's increasing focus on financial inclusion and financial education signals to member countries the degree of importance these are for each country's government, financial institutions and communities.

The World Bank has invested in measuring financial inclusion on a global scale. Using a newly developed index, Global Findex Database, it reports on how adults in 148 economies save, borrow, make payments and manage risk (World Bank, 2012). For the first time, we now have a global assessment of the levels of financial inclusion across developed and developing economies. This is a valuable tool which can be used to identify the economies needing the most assistance and investment in increasing levels of financial inclusion.

The Global Findex Database shows that globally, 50 per cent of adults have an account with a formal financial institution (World Bank, 2012). In comparing high-income economies with low-income countries, the proportion of adults with an account in low-income economies is less than half (41 per cent) that of higher-income countries (89 per cent). The World Bank estimates that 2.5 billion adults are unbanked. The most common reasons for people to be unbanked are the costs of accounts are prohibitive and/or a lack of physical access to a financial institution. There is significant work to be done to increase the levels of financial inclusion in developing countries.

While around a third of the world's population have no interaction with formal financial services, most still have to try to obtain money and use it to live. Pure subsistence economies are decreasing and rare. Even if formal financial institutions are not used, the World Bank confirms the research that 'poor people juggle complex financial transactions every day and use sophisticated techniques to manage their finances' (World Bank, 2012; Collins et al., 2009). However, without access to formal services, money is unprotected and individuals are left vulnerable to illegal and exploitative financial services.

## 4.0 AN OVERVIEW OF FINANCIAL LITERACY AND INCLUSION IN THE ASIA PACIFIC REGION

For developed countries, the OECD provides a large volume of resources to help its member countries increase the financial capabilities of their citizens. Included on their website are guides to best practice for programs and evaluations, international assessments of financial literacy levels and an overview of financial education efforts across the member countries. The OECD Financial Education Project, established in 2003, has now expanded to include an International Network on Financial Education and the International Gateway for financial education – a clearinghouse of financial education publications and resources.

Prompted by the fallout of the GFC, the OECD has formally recognised the importance of financial literacy and consumer protection and the roles they play in ameliorating the negative effects of economic downturns on individuals (OECD, 2009a). While acknowledging myriad complex factors that contributed to the crisis and holding governments and financial institutions accountable, it also highlights the need to improve consumer protection and levels of financial literacy and states that 'financial literacy is a necessary condition for financial market efficiency' (OECD, 2009a). In response to the crisis, the OECD has developed a set of guidelines to enhance consumer protection and increase knowledge and awareness, especially in regards to the use of credit, insurance and pension products.

The OECD has clearly identified a major role for governments in ensuring their citizens are financially educated, beginning at school. They recommend governments establish websites, hotlines and employ widespread campaigns to promote awareness of financial issues and provide access to necessary tools and knowledge to help consumers develop financial capabilities. Programs should be developed that are targeted towards vulnerable groups who require specialised assistance.

The OECD and the World Bank have specified roles that financial institutions should play in increasing financial inclusion and financial literacy. Financial institutions can remove barriers, physical and financial, to allow wider access to financial products and services. For example, the introduction of mobile or branchless banking has been successful in increasing provision of services to the unbanked across Sub-Saharan Africa and Asia Pacific (World Bank, 2012).

In essence, it is clear that the responsibility for increasing financial inclusion and the financial capabilities of individuals is to be shared. Governments, financial institutions and the community sector all have clear roles to play to ensure consumers are educated, protected and enabled to enjoy financial wellbeing.

## 4.2 AUSTRALIA

In keeping with global recognition of the importance of having a financially literate population, efforts in Australia to increase levels of financial literacy and inclusion have also gained momentum over the last few years. There is increasing support from government, financial institutions and community organisations to assist Australians in gaining access to appropriate products and services and to provide resources to ensure their effective use.

### Levels of financial literacy

In 2011, ANZ released its latest research on financial literacy levels of Australian adults. This report updates previous research in 2003, 2005 and 2008. In the latest study, ANZ bases the indicators of financial literacy on the financial capability framework developed by Atkinson et al. (2006). While the difference in approach makes direct comparison to previous year's results difficult, there are many questions in the survey that have stayed the same across all surveys allowing for tracking of financial literacy levels. For a comprehensive understanding of the domains and how Australians fare, see <http://www.anz.com/about-us/corporate-responsibility/cr-library/>.

In summary, the 2011 research found that most Australians (80.7 per cent) feel in control of their finances; 70.6 per cent keep track of their finances; 51.7 per cent plan ahead; 37.1 per cent shop around when choosing financial products; and 30 per cent stay informed about macro financial trends and changes to financial products and services.

The latest ANZ survey (ANZ, 2011a) has tracked some notable changes across a range of financial literacy indicators across the four survey periods - 2003, 2005, 2008 and 2011.

- > Australians have increased saving rates compared to all previous survey periods. This is also confirmed in other data that show the household saving ratio has increased from a negative rate between 2001 and 2006 to over 10 per cent in 2011 (RBA 2011).
- > Australians are more confident in making complaints about a financial institution when necessary than in previous survey periods.
- > There are increased numbers of people who feel in control of their finances compared to previous survey periods.
- > The levels of financial resilience have not increased since 2008 especially among households of lower income with dependent children and high mortgages.
- > There are fewer people who hold shares and/or managed investments since 2003 and 2008.
- > There is less understanding or more confusion about superannuation and less monitoring of superannuation statements since 2008.

Confirming the OECD's concern about the need for greater levels of understanding and knowledge about insurance products, ANZ (2011) also found insurance or more specifically 'underinsurance' to be a continuing issue in Australia. Recent natural disasters affecting many Australians over the last few years – from bushfires in Victoria to more recent floods in Queensland – revealed the widespread negative financial consequences for those who were not as protected by insurance as they thought they were.

## 4.0 AN OVERVIEW OF FINANCIAL LITERACY AND INCLUSION IN THE ASIA PACIFIC REGION

Ironically, there are some positive financial behavioural outcomes triggered by the GFC. Australians have become more cautious in their financial behaviours and attitudes since 2008.

There is also room for improvement in the proportion of Australians understanding of risk in investment (ANZ, 2011). Inadequate understanding about risk and return has implications for long-term financial wellbeing especially in retirement. Far too many Australians have suffered in recent years not only because of the volatility of the stock market but also due to the collapse of providers who perhaps promised returns on investment that were 'too good to be true'.

Ironically, there are some positive financial behavioural outcomes triggered by the GFC. Australians have become more cautious in their financial behaviours and attitudes since 2008. Although Australians fared much better than our European and American counterparts, the saturation of media coverage and subsequent uncertainty felt by all sectors could not help but increase individual's awareness of their own financial vulnerability. It seems to have resulted in households taking the time to closely assess their financial situations – their debt levels, savings (or lack thereof), spending habits and forecast for their long-term financial wellbeing. This has been a positive outcome. It also confirms the research suggesting that people are more open to learning about financial issues when the need arises. Or it can indicate that people generally know what financial behaviours they should be adopting and it has taken a crisis to translate that knowledge into action.

### Government

In 2011, the Australian Securities and Investments Commission (ASIC) launched the National Financial Literacy Strategy. This framework provides overall national direction and prioritises the following strategies to increase financial literacy (ASIC, 2011a).

ASIC has also developed a comprehensive website (<http://www.financialliteracy.gov.au>)<sup>4</sup> which includes two key initiatives to support consumers and educators. The Australian Government has also recognised the dire financial literacy needs of ATSI, especially those living in remote communities. Financial exclusion is extremely high in ATSI communities and is compounded by low levels of education, general and financial literacy and systemic health and social problems. There are concerted efforts by governments, corporates and community organisations to address the complex issues faced by Aboriginal and Torres Strait Islanders.

In 2005, ANZ and the Australian Government commenced a pilot program to deliver financial literacy education in ATSI communities. MoneyBusiness was developed based on ANZ's expertise in financial literacy and was delivered in six locations by organisations under a service agreement with the Commonwealth.

<sup>4</sup> To be redeveloped in late 2011 when Stage 2 of the new Australian Curriculum is implemented.

In 2009, the Australian Government Department of Families, Housing, Community Services and Indigenous Affairs (FaHCSIA) launched a re-structured Financial Management Program (updated again in January 2012) aimed at building financial resilience and wellbeing for vulnerable groups and those who are most at risk of financial and social exclusion and disadvantage (FaHCSIA, 2012). The MoneyBusiness financial education package has remained a central resource for this expanded delivery of services across Northern Territory, Western Australia, Queensland and South Australia.

The FaHCSIA Financial Management Program includes services for those needing emergency financial assistance and programs that have a longer-term goal of helping people to save and plan for their financial futures. Following are the suite of services included in this portfolio (FaHCSIA, 2012):

- > emergency relief
- > financial counseling
- > money management information and education (using MoneyBusiness)
- > microfinance and matched savings initiatives
- > assistance with energy efficiency
- > information about saving for retirement
- > research into problem gambling and its impacts.

Initiatives are also emerging across the states of Australia. MilbaDjunga Smart Money (<http://milbadjunga.net.au>) is an example of a financial literacy initiative developed by the Queensland Department of Education and Training and ASIC. The online program provides financial literacy resources to support teachers of ATSI students. The program has been piloted in Queensland, Western Australia and the Northern Territory with positive results (Russell & Yoosuf, 2011) and will be further developed and rolled out in 2012 (ASIC, 2011b).

## Central bank

The Reserve Bank of Australia (RBA) plays a more indirect role in financial literacy and capabilities of individuals compared to the efforts of government and financial institutions. The primary role of the RBA is to conduct monetary policy and establish policies that ensure a stable, strong financial system for the nation. However, the RBA does recognise the importance of financial literacy to the maintenance of a healthy economy. It supports the efforts by the Australian government, institutions and community sectors in assisting individuals improve their financial capabilities. The RBA notes the causal effects of financially stable households to businesses and through to the overall financial system (RBA, 2008).

The RBA also established a website to further inform consumers about policy and to give information about education programs they sponsor in the community (RBA, 2008).

## 4.0 AN OVERVIEW OF FINANCIAL LITERACY AND INCLUSION IN THE ASIA PACIFIC REGION

### Commercial banks

The Australian banks have made significant contributions to increasing the financial literacy and capabilities of Australians. ANZ, perhaps the first mover in the space, developed Saver Plus in partnership with the Brotherhood of St Laurence. Saver Plus, a matched saving and financial literacy program, has demonstrated significant levels of success since 2003 and has grown to be the largest and longest running program of its type in the world (Russell et al., 2011). Enabled by significant funding from ANZ and the Australian Government through FaHCSIA, the program is now delivered in 61 sites across Australia. MoneyMinded, also developed by ANZ with input from a range of stakeholders, continues to reach large numbers of individuals in the Asia Pacific region and is the most widely used financial literacy program in Australia. MoneyBusiness, adapted from MoneyMinded, is tailored to suit the financial literacy needs of ATSI communities and has been extensively utilised by ANZ and its partners as well as by the Australian Government through service delivery as outlined above. ANZ has conducted four national surveys since 2003 to build a longitudinal view of the financial literacy levels of Australian adults, and is also investing heavily in extending financial literacy education and training across the Asia Pacific region.

The National Australia Bank in partnership with Good Shepherd Youth and Family Services supports a range of programs to assist low-income families including the No Interest Loan Scheme (NILS), low interest loans - StepUP, and a matched savings program - AddsUP. These programs are also delivered through community organisations and have recently received additional funding from the Australian Government. More recently, NAB is partnering with Good Shepherd Microfinance and the Victorian Government to establish Good Money Hubs – accessible, one-stop-shops for small loans, financial counselling and support for low-income individuals.

The Commonwealth Bank Foundation supports financial literacy programs aimed at improving the financial literacy of school-aged youth including young Aboriginal and Torres Strait Islanders. StartSmart is delivered in schools across Australia and has been adapted for use as a resource to help young ATSI students learn about enterprise development.

In 2011 Westpac launched a financial education school – The Davidson Institute. This initiative is not targeted towards low-income individuals but offers a range of resources, seminars, and short courses to help Australians make more informed financial decisions. Through the Ruby Connection, Westpac provides a financial focus for women in Australia and provides resources tailored to their specific financial needs.

## 4.3 NEW ZEALAND

### Financial literacy levels

In 2009, with support from ANZ, a National Financial Knowledge survey was launched to measure the financial knowledge levels of New Zealanders aged 18 and over. Compared to an earlier benchmark survey conducted in 2006, the results showed an overall improvement in New Zealanders' financial knowledge with more people having a high level of knowledge, but revealed little change to the number of New Zealanders with low levels of financial knowledge. About one in six New Zealanders (16 per cent) had difficulties managing their money and were feeling more financially uncertain and vulnerable (CFLRI, 2009).

The survey also highlighted gaps in financial knowledge about home loans and concluded that having a low income or less education may not necessarily be a predictor of low financial literacy levels (CFLRI, 2009).

In addition, a similar financial knowledge survey was conducted in 2010 for one indigenous Maori tribal group called the Ngāi Tahu in the south of New Zealand. The preliminary results were similar to that of the National Financial Knowledge survey in terms of financial knowledge and attitudes towards money management. Key findings included (ANZ, 2010):

- > 40 per cent of Ngāi Tahu members had a high level of financial knowledge, 31 per cent had a medium level of knowledge and 29 per cent had a low level of knowledge
- > demographic groups with lower levels of knowledge were 18 to 23 year olds and 65+ year olds, those with primary or basic secondary education, those with low household incomes, tenants, and those not in paid employment
- > those with lower financial knowledge were more at risk, with more negative attitudes towards money management, greater experience of financial strain, and the least access to financial products
- > ngāi Tahu members were saving less regularly than the average New Zealander
- > one in seven Ngāi Tahu members had difficulty managing money<sup>5</sup>.

### Government

The Commission for Financial Literacy and Retirement Income (CFLRI), formerly the Retirement Commission, is a government-appointed entity with a mission to 'improve the financial wellbeing of all New Zealanders so that they are in the best possible financial state for their personal circumstances throughout life and in retirement' (CFLRI, 2011a). The CFLRI has a long history of working to improve the financial literacy and financial wellbeing of New Zealand citizens. It was established in 1993 and has three overarching functions:

- > contribute government policy to ensure stability of the financial system
- > supports the development of a financial services sector that is robust and trustworthy
- > develop a financially literate population.

The CFLRI has embraced the philosophy that financial literacy should be a right for all ages and supports the education system and training providers to ensure school aged children through to tertiary students have the opportunity to acquire financial education.

Similar to ASIC, the CFLRI has developed a useful website for consumers – 'Sorted', which houses independent resources and tools to help consumers make effective financial decisions.

In March 2012, the CFLRI launched a revised New Zealand National Strategy for Financial Literacy (first launched in 2008, then revised in 2010). The strategy focus is on 'developing quality, extending the delivery of financial education, sharing what works, and working together in order to achieve the outcome of a financially literate population' (CFLRI, 2012).

<sup>5</sup> Note: the Ngāi Tahu group is only one Maori tribe and may not be representative of other Indigenous groups.

## 4.0 AN OVERVIEW OF FINANCIAL LITERACY AND INCLUSION IN THE ASIA PACIFIC REGION

### Central Bank

Similar to Australia, the Reserve Bank of New Zealand (RBNZ) does not have a direct involvement in financial education. The primary role of the RBNZ is to maintain sound monetary policy and financial system (RBNZ, 2011a). In doing so, it monitors macro-economic conditions and acts accordingly to ensure that citizens are protected as much as possible from negative effects of global market volatility. RBNZ also formally acknowledges the need to improve the overall financial literacy and capabilities of New Zealanders to ensure a financially healthy economy (RBNZ, 2011c; Bollard, 2007).

The RBNZ has supported a number of financial literacy initiatives:

- > young Enterprise Trust - financial literacy programs for high school students (<http://www.yetrust.co.nz/>)
- > the Skint to Mint Board - a game designed by RBNZ to help teach secondary school students about making informed investment decisions based on understanding the risk and rewards they are taking on (<http://www.rbnz.govt.nz/skinttomint/>)
- > development of MoneyPacific - a financial education project to help Pacific Islanders understand more about finance and increase their ability in financial making decisions (RBNZ, 2011b)
- > commissioned the publishing of 'Snakes and Ladders – A Guide to Risk for Savers and Investor's – a book that introduces and encourages New Zealanders to invest their savings wisely (Holm, 2004)
- > commissioned a poll survey in 2007 on consumer's understanding of financial information, uses of credit ratings and perception of risks in the financial sector (Widdowson & Hailwood, 2007).

## Commercial banks

The major commercial banks in New Zealand have been actively involved in contributing to the financial literacy and capabilities of New Zealanders. ANZ led in the early financial literacy movement and has always been a strong advocate for increasing financial literacy through innovative financial education programs in New Zealand. As mentioned earlier, ANZ funded a National Financial Knowledge Survey in 2006 to measure the financial knowledge levels of New Zealand adults and followed this up in 2009. In addition, a similar financial knowledge survey was conducted in 2010 for the indigenous Maori Ngāi Tahu tribal group in the south of New Zealand. In 2008, a booklet called 'ANZ Guide to Healthy Finances' was launched to give practical tips to help individuals understand and manage their finances in a healthy and sustainable way. ANZ also developed an online budget planner to help individuals track their expenses.

The ASB (formerly the Commonwealth Bank of Australia in New Zealand) has an ongoing school banking program to teach school children the importance of saving. All New Zealand schools that bank with ASB have an opportunity to participate in the program. The schools are supplied with information and equipment to encourage students to save money every week. Since February 2010, ASB has delivered an additional program 'GetWise' where facilitators partner with New Zealand primary and intermediate schools to teach students about financial literacy concepts.

The Bank of New Zealand partners with a community organization, Plunket, to deliver financial literacy initiatives to young families as part of their parenting education programs. Besides supporting selected universities with research, teaching and discussion relating to financial literacy, the Bank of New Zealand also contributes funding for selected public websites and the New Zealand school curriculum to incorporate concepts on financial literacy.

Kiwibank developed 'heaps!', a free online financial management tool, for both non Kiwibank and Kiwibank customers, to manage their money better by sorting out their expenses, set spending targets and financial goals. Kiwibank also developed a savings scheme called 'KiwiSaver' to help individuals save long-term for their retirement.

Since 2006, Westpac has been running free 'Managing Your Money' workshops, a financial literacy program designed to improve New Zealander's money management knowledge, attitudes and behaviour. In 2011, Westpac, together with Massey University, launched the New Zealand Centre for Personal Financial Education to improve the financial education levels of New Zealanders and have since commenced the following initiatives:

- > a certificate program for Personal Financial Educators (June 2011)
- > a 20-year study to understand New Zealanders' financial knowledge requirements and where they go to find the required information to make money decisions at different life stages (June 2011)
- > the New Zealand Retirement Expenditure Survey to analyse retirement spending patterns and hence establish principles for modest and comfortable retirement living (March 2012).

# 4.0 AN OVERVIEW OF FINANCIAL LITERACY AND INCLUSION IN THE ASIA PACIFIC REGION

## 4.4 ASIA PACIFIC

### Financial literacy levels

It is impossible to accurately measure the overall financial literacy levels across the countries in the Asia Pacific region. While the majority of countries in the Asia Pacific region are listed as 'developing' (AusAid, 2012), countries across the region are diverse and the financial capability and access issues faced by each region are quite disparate.

Nonetheless, in 2011, financial services company MasterCard released a financial literacy index which is based on a survey of 10,502 consumers from 24 markets across Asia Pacific, Middle East and Africa (MasterCard 2011). The survey covered three components: basic money management, financial planning and investment.

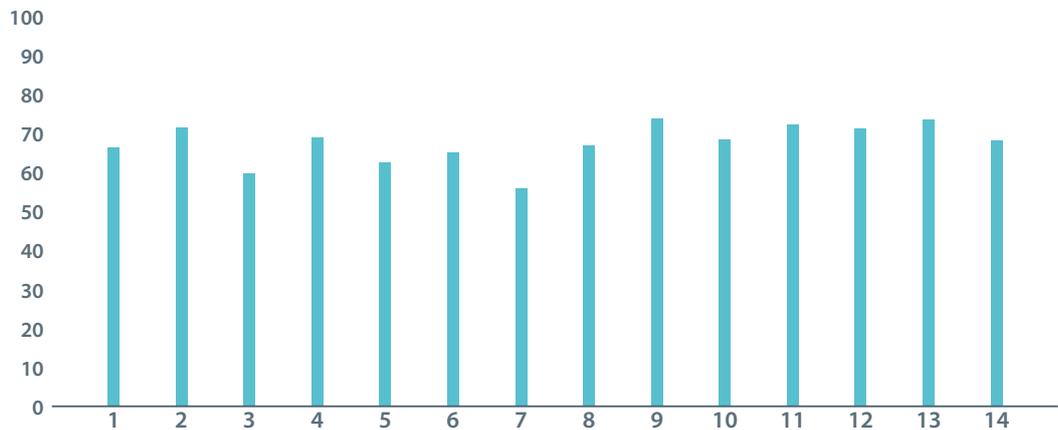
A financial literacy index score was then calculated out of a weighted sum based on the three components and the results on Asia Pacific (excluding the Pacific Islands) were:

- > the average financial literacy index score for Asia Pacific was 66.3 out of a possible 100
- > New Zealand, already well known for its successful financial literacy interventions, had the highest financial literacy index score, (73.8) while Korea had the lowest score (56.0).

However, the figure of 66.3 out of 100 does not reflect the realities of the individual countries within the Asia Pacific region. In the first instance, the study was conducted with consumers and does not include the unbanked of which there are vast numbers. In the Pacific countries, on average, less than 20 per cent of the adult population use financial services. Low levels of access are strongly correlated with low levels of financial literacy.

**FIGURE 1:  
FINANCIAL LITERACY INDEX SCORE ACROSS ASIA PACIFIC  
(EXCLUDING PACIFIC ISLANDS)**

Financial Literacy Index Score



LOCATION:

- |                 |              |                 |              |
|-----------------|--------------|-----------------|--------------|
| 1. Asia Pacific | 5. India     | 9. New Zealand  | 13. Thailand |
| 2. Australia    | 6. Indonesia | 10. Philippines | 14. Vietnam  |
| 3. China        | 7. Korea     | 11. Singapore   |              |
| 4. Hong Kong    | 8. Malaysia  | 12. Taiwan      |              |

Source: MasterCard, (2011), 'How Well Do Women Know Their Money: Financial Literacy Across Asia Pacific, Middle East and Africa', MasterCard Worldwide Insights 1Q2011, [http://www.masterintelligence.com/upload/263/189/WomensFinancialLiteracyAPMEA\\_S.PDF](http://www.masterintelligence.com/upload/263/189/WomensFinancialLiteracyAPMEA_S.PDF)

## 4.0 AN OVERVIEW OF FINANCIAL LITERACY AND INCLUSION IN THE ASIA PACIFIC REGION

### Government

The role of government in financial literacy efforts across Asia Pacific is diverse and complex. However, there has been significant growth in efforts by a range of sectors with government support. The broader focus by governments has been to achieve the Millennium Development Goals (MDGs) of which reduction in poverty is one, but this is also a crucial goal in helping to achieve other MDGs such as increased levels of health, education and gender equality.

Financial inclusion strategies are now recognised by multi-lateral organisations as being crucial to reducing poverty and meeting other Millennium Development Goals (MDGs) in developing countries (Chibba 2009). While governance, aid, training and stable macro environmental conditions are of course important, the recent efforts to increase levels of financial inclusion in developing countries have been credited with speeding up the progress towards meeting the MDGs – although some countries in the Pacific such as Papua New Guinea, are well behind others in terms of progress. To overcome the enormous inequities between the wellbeing of the populations in developed and developing countries, the strategies must focus on inclusiveness and sharing the opportunities that developed countries enjoy – for example being able to participate in a healthy financial system. Global organisations such as the World Bank and the United Nations now hold financial inclusion as a key advocacy pathway to improving the lives of those living in developing countries.

Financial inclusion efforts were initially focused on the provision of small loans by individual providers, donors and aid organisations to those who were excluded from accessing products from mainstream banks. In the last thirty years, the demand for microcredit and other financial products has grown extensively and the supply of financial services to low-income markets has broadened accordingly. Originally, financial inclusion efforts were solely in the domain of NGOs and aid donors. However, the sector now includes public and private financial institutions; microfinance institutions (MFIs); and overarching, or 'mesa', organisations that oversee and regulate activities.

According to Chibba (2009) successful financial inclusion strategies are based upon four key pillars: 1) the involvement and development of the private sector including financial and non-financial institutions; 2) financial literacy; 3) microfinance; and 4) public sector support. These pillars are all important in strengthening the nexus between financial inclusion, poverty reduction and meeting the Millennium Development Goals (FI-PR-MDG) (Chibba, 2009).

The provision of appropriate financial services to the poor has had a longer history in many Asian countries than it has in Australia and other developed countries. It could be argued that the need is far greater in developing countries due to the lack of safety nets and welfare provisions provided in developed countries. Made popular by the success of the Grameen Bank in the 1970s, the growth in microfinance institutions (MFIs) has been rapid and there are a number of models and much discussion about the impacts, delivery methods and recommended pathways for the microfinance industry. Across Asia Pacific, financial inclusion activities are provided by a mix of formal institutions such as banks and government agencies, semiformal institutions such as NGOs and MFIs and informal institutions like self-help groups and moneylenders.

The Reserve Bank of India (RBI) is an example of a central bank which has adopted a direct approach to increasing financial inclusion and financial literacy.

### **Central banks**

With such a wide range of needs and contexts across Asia Pacific, it is not possible to make comparisons or generalisations of the role of banks, government, microfinance providers and the types of efforts employed by NGOs to increase financial inclusion across the region. In some countries the government and central banks play an important role in encouraging financial inclusion. For example in Indonesia, Bank Indonesia has been active over a long period of time in promoting microfinance institutions and financial inclusion (Abdullah, 2004). Pakistan also is recognised as having a strong network of government or 'mesa-level' institutions as do India and China. The MFIs in Sri Lanka, Nepal, China and Vietnam rely heavily upon subsidised funding from the government. In Vietnam for example, the majority of funds for microfinance initiatives are invested by the Vietnamese government. However for the most part the general belief is that effective government support conducive to the growth of the microfinance sector is lacking (BWTP, 2009).

The role and extent of involvement of central banks in financial inclusion activities depends upon the institution's mission and chosen strategic direction. In some countries the role is more explicit and hands-on, providing technological and training assistance to MFIs and with others it is less so (Abdullah, 2004). The lack of activity by formal financial institutions in the past, in providing services at the micro end of the market, left the space open to the arrival and fast development of MFIs. However, the MFIs often lacked the appropriate regulation, governance and risk management frameworks that protect bank clients and customers. There are recommendations for central banks to play a more prominent role in regulating MFIs and to also provide training and assistance to help MFIs become more sustainable in the financial markets (Haq et al., 2008).

## 4.0 AN OVERVIEW OF FINANCIAL LITERACY AND INCLUSION IN THE ASIA PACIFIC REGION

The Reserve Bank of India (RBI) is an example of a central bank which has adopted a direct approach to increasing financial inclusion and financial literacy. It views these two elements, financial literacy – individual skills and knowledge, and financial inclusion – the supply of products and services, as working together as ‘twin pillars’ (Subbarao 2010) to strengthen the financial system and the economy of the country. The RBI has, via a top-down approach developed a comprehensive approach to increasing levels of financial literacy and inclusion especially in rural areas (Reserve Bank of India, 2012). It has invested in financial education programs for the community and in schools; and set financial inclusion targets for banks in each region. Most recently, the RBI has created ‘Project Financial Literacy’ targeted at a large range of groups including women, defence personnel, senior citizens; and those living in poverty in rural and urban regions (The Times of India, 2011).

Chibba (2009) notes that financial literacy is the ‘next training frontier’ and is being heavily invested in by multilateral organisations within developing countries. Clearly, the interest of central banks in financial inclusion across Asia Pacific has grown significantly over the last few years. In 2010 and 2011, the OECD conducted roundtables with the Reserve Bank of India and Bank Indonesia respectively on the role of central banks in financial literacy and inclusion (OECD, 2010; 2011).

The core message at these roundtables from the central banks was even though financial education has not traditionally been the mandate of central banks, it is in their interests to increase levels of financial literacy which in turn creates positive flow-on effects contributing to the objectives of central banking.

The 2011 roundtable included delegations from nine Asian countries to share activities and views on financial literacy within each of their countries. Each of the delegations has been working in various ways to promote financial education in their countries. Following is a sample of activities.

- > Korea, through the creation of legislation, similar to Australia has created a national framework to bring financial education into schools.
- > The Reserve Bank of India has provided financial education on their website that is available in over 30 languages and has also stressed the importance of consumer protection.
- > The Bank Negara Malaysia has also focused on consumer protection as well as the provision of education materials to consumers especially on Islamic finance.
- > The Monetary Authority of Singapore has developed activities targeted at youth. They also have segmented activities according to financial literacy levels and risk profiles relating to investment and savings behaviour among the population.
- > The Bank of Thailand has made financial inclusion a key priority in their strategic direction. Activities include training teachers and distributing printed information to the wider public.
- > The Bank of Indonesia is promoting a regulatory framework that allows consumers to make informed choices in the use of complex products as well as ensuring safety of deposits and investments. They also are interested in banks using payment systems as a vehicle to promote financial inclusion.

## Commercial banks

In the past, the role of commercial banks and financial institutions has been mainly that of providing wholesale funds to microfinance programs. For example, in Bangladesh nearly 60 per cent of microfinance funds come from the savings of members and service charges from loans from the big four banks – Grameen, BRAC, ASA and Proshika (BWTP, 2009).

However, there is increasing activity from commercial banks to deepen their reach into the low-income markets. In Vietnam there is strengthening competition between the commercial banking sector and the MFIs to reach the lower-income market (BWTP, 2009). In India, the finance industry has developed formal policies to provide products and services aimed at extending the reach of access to those who have been financially excluded (<http://www.rbi.org.in>). The RBI has directed commercial banks to develop strategies and to set targets to increase financial inclusion and financial literacy levels of citizens in regions in which they operate (<http://www.rbi.org.in>).

Financial inclusion strategies need to include more than just access to products and services. To promote the FI-PR-MDG nexus (Chibba, 2009), financial literacy must be a key pillar. The provision of access to financial products and services that have been formerly denied to millions of people in developing countries is the first step towards financial inclusion. But understanding and having the skills to effectively use the products that exist within this new system is just as important. Having access to financial products does not guarantee financial wellbeing and ironically can in fact contribute to high stress levels and hardship if inappropriate products are sold to consumers or misused.

Internationally, HSBC has been involved in a number of financial literacy programs for children and young adults. Since 2006, HSBC has provided the 'Living Finance' program in Hong Kong aimed at improving financial literacy skills of high school students. The program involves workshops, a competition and online resources. In 2006, HSBC sponsored the 'JA More than Money' program. The program operates in 41 countries including Hong Kong, Vietnam, Malaysia, Thailand, Singapore and Indonesia. Students learn about entrepreneurship and managing money including earning, banking, saving and spending. The program and materials are adapted for local conditions and students' needs ([http://www.hsbc.com.hk/1/2/cr/community/projects/ja\\_more\\_than\\_money](http://www.hsbc.com.hk/1/2/cr/community/projects/ja_more_than_money)).

In 2002, VISA introduced 'My Money Skills' in the Asia Pacific region. The program is delivered on-line and comprises six modules and claims to meet the money management needs of people of all ages. VISA also developed a range of partnerships with country-specific governments, universities and NGOs to deliver initiatives that are targeted towards specific groups of people such as tertiary and high school students and school teachers (<http://corporate.visa.com/corporate-responsibility/financial-inclusion/financial-literacy.shtml>).

Citi also has invested in financial education through supporting community programs for youth and adults. Citi employees volunteer time to develop financial education resources including training modules and also provide assistance to community programs delivering the programs. Citi-FT has conducted regular summits on financial education since 2004. These summits have been hosted by different countries across Asia Pacific and include delegates from corporations, governments, universities and NGOs.

## 4.0 AN OVERVIEW OF FINANCIAL LITERACY AND INCLUSION IN THE ASIA PACIFIC REGION

### Pacific Islands

The Pacific Islands, lying in the midst of the Pacific Ocean, between the north and east of Australia, are a group of concentrated country islands spread around three regions - Melanesia, Micronesia and Polynesia (Herr & Bergin, 2011). See Appendix 1 for list of countries and population numbers.

Known as the least banked region in the world, it is estimated that about 6.5 million people (70 per cent of the Pacific Island's total population) have no access to any formal financial services (UNDP, 2010). The United Nation's Pacific Financial Inclusion Programme or PFIP ([http:// www.pfip.org](http://www.pfip.org)) is deeply involved in driving efforts for greater financial inclusion in the Pacific Islands. With presence in Papua New Guinea, Vanuatu, Fiji and Tonga, PFIP works directly with policy-makers, industry leaders, community organisations and the financially excluded population in the projects/activities outlined in Table 38 (UNDP, 2010; PFIP, 2012).

In 2009 at the Pacific Islands Forum Secretariat meeting, economic ministers endorsed the following Money Pacific goals to be achieved by 2020:

- > 1. All children to receive financial education through core curricula;
- > 2. All adults to have access to financial education;
- > 3. Simple and transparent consumer protection to be put in place; and
- > 4. Twice as many Pacific Islanders to have access to basic financial service

**TABLE 38:  
PRIORITIES OF PFIP**

#### PROJECT/ACTIVITY

Branchless banking	The use of mobile phones, point of sale devices, smart cards and other technologies for the ease of payments, as well as third party agents, to deliver cost-effective financial services to reach previously underserved and unbanked populations in the Pacific.
Financial inclusion	Enabling people to acquire the skills and knowledge to manage personal finances and to participate in the money economy.
Micro-insurance	Developing insurance products for low income people and enable those insured to hedge against the recurring risks of falling sick, death of the primary income earner or destruction of crops, assets and sources of livelihoods.
Financial inclusion policy and regulation	Building an enabling legal and political environment for financial inclusion in partnership with policy makers and regulators to develop new and alternative financial delivery channels

**TABLE 39:  
KEY ACHIEVEMENTS FOR FINANCIAL LITERACY IN THE PACIFIC ISLANDS (PIFS, 2010)**

REGIONAL INITIATIVE	PARTICIPATING COUNTRIES	DESCRIPTION
MoneyMinded Pacific	Fiji, Papua New Guinea, Cook Islands, American Samoa	Rollout of ANZ's MoneyMinded program.
Regional Training of Trainers on Financial Literacy for Youth and Young Adults	Cook Islands, Fiji, New Zealand, Papua New Guinea, Samoa, Solomon Islands, Tonga, Vanuatu	Organised and hosted by Central Bank of Samoa with financial and technical support from Commonwealth Secretariat and Pacific Financial Inclusion Program. A total of 22 people were trained.
ANZ Remittance Card	Fiji, Papua New Guinea, Samoa, Tonga	In March 2012, ANZ Pacific launched the Pacific Money Transfer Card, a two card pre-paid VISA that makes it more affordable to remit money from Australia to Pacific countries shown to have the highest volume of remittances through ANZ's International Money Transfer telegraphic offering.
Westpac Express Visa Prepaid Card	Fiji, Tonga, Samoa, Vanuatu, Papua New Guinea, Solomon Islands, Cook Islands	In December 2008 Westpac launched the Express Visa Prepaid Card, a two card pre-paid Visa card making it easier, more secure and cheaper for Pacific Islanders living in Australia or New Zealand to send money back to the Pacific.
www.sendmoneypacific.org	Tonga, Samoa, Fiji, Kiribati, Papua New Guinea, Solomon Islands, Tuvalu, Kiribati, Vanuatu	A website to help remitters in Australia and New Zealand to find the most competitive way of sending money home. This initiative is supported by AusAID and the New Zealand Aid Program.
National financial competency surveys	Fiji, Papua New Guinea, Solomon Islands, Samoa	With technical support from PFIP, these countries will conduct a survey to measure the level of financial competency among low income households and apply the results to prepare a national financial literacy strategy. The initiative is supported by AusAID and, in PNG, with co-financing from World Bank.
Money Pacific calendar series	Tonga, Samoa	Interactive calendars with financial literacy messages produced jointly by New Zealand Ministry of Pacific Island Affairs, New Zealand Aid Program, Pacific Corporation Foundation, Reserve Bank of New Zealand and the World Bank.
Financial education curriculum development	Samoa, Tonga, Cook Islands, Fiji	Forum Education Ministers requested PFIP and Young Enterprise Trust (NZ), working with the Secretariat and donors, to support interested countries. Nine schools are now offering enterprise and financial education at secondary level in Samoa. Cook Islands and Tonga have prepared implementation strategies. Fiji, with AusAID and PFIP support, will start work in October 2010 to integrate financial literacy from class 1 to class 13.
Pacific Financial Literacy Training and Development	Tonga, Vanuatu, Papua New Guinea (PSWPS countries) Solomon Islands, Cook Islands, Fiji, Samoa	Westpac Banking Corporation executed financial literacy training for guest workers participating in the Australia Pacific Seasonal Workers Pilot Scheme (PSWPS). It involves pre-departure briefings plus training while in Australia. Workshops are also being offered at community levels in non-participating countries. The program is supported by AusAID.

Source: Pacific Islands Forum Secretariat (PIFS), (2010), 'Update On Regional Initiatives For Improving Financial Literacy And Capability', Forum Economic Ministers' Meeting, Alofi, Niue, [http://www.forumsec.org/resources/uploads/attachments/documents/OSS\\_Update\\_on\\_Financial\\_Literacy\\_and\\_Capability\\_Initiatives.pdf](http://www.forumsec.org/resources/uploads/attachments/documents/OSS_Update_on_Financial_Literacy_and_Capability_Initiatives.pdf).

## 4.0 AN OVERVIEW OF FINANCIAL LITERACY AND INCLUSION IN THE ASIA PACIFIC REGION

Financial literacy and financial inclusion have over recent years escalated in importance across the Asia Pacific region for governments, central banks and financial institutions.

### 4.5 CONCLUSION

Through the Forum Economic Action Plan 2009, a Money Pacific Advisory Group was called to (i) develop a set of best practices to build adult financial capability and (ii) develop a set of indicators to help countries set targets for achieving and assessing progress towards the Money Pacific Goals (PIFS, 2010).

There has been a proliferation of financial literacy activity from most banks that operate in the Pacific countries. Some programs are more long term, such as the roll-out by ANZ of MoneyMinded Pacific across Fiji, Papua New Guinea, Cook Islands and American Samoa. Other programs sponsored by banks promote specific initiatives such as 'Get Smart About Credit' day targeted towards high school students in American Samoa, Guam, Palau and Northern Mariana Islands.

In 2011, Papua New Guinea conducted the ANZ MoneyMinded Pacific pilot program and has also participated in the 'Banking the Un-banked, project with UNDP. The Bank of the South Pacific has begun developing financial education materials for their customers and the local communities.

Westpac Pacific Banking is working with AusAid to deliver its Financial First Steps Program to a range of groups such as churches, schools, and companies across Vanuatu, Tonga, Solomon Islands and Papua New Guinea. Westpac has worked in particular helping seasonal workers coming to Australia from the Pacific countries become familiarised with the Australian financial system.

Financial literacy and financial inclusion have over recent years escalated in importance across the Asia Pacific Region for governments, central banks and financial institutions. The GFC has heightened the awareness of the need for individuals to have greater levels of financial literacy; for financial institutions to be more responsible in their lending practices and to provide a greater range of appropriate products for low-income consumers; and for governments and central banks to provide more effective protection mechanisms.

What is interesting is the central banks increased recognition of the role of financial literacy in promoting a healthy financial system. Although in Australia and New Zealand the efforts of the central banks are more indirect, they have notably and publicly declared the importance of financial education in helping them achieve their goals. In both Australia and New Zealand, government agencies have responsibility for lifting levels of financial literacy.

The efforts of commercial banks are prolific across the Asia Pacific region, working in partnership with NGOs and governments especially in developing nations. Together with developments in technology, banks are deepening their reach to the previously unbanked and are providing financial education via a range of mediums to meet the needs of different cultures.

- Abdullah, B. (2004), 'Defining the Role of Central Banks in Creating a Conducive Environment for Micro-finance', Presentation to High Level Policy Meeting on Microfinance and Rural Finance in Asia, Yogyakarta, 26-28 February 2004.
- Abey, A & Ford, A. (2008), 'How much is enough? Money, Time, Happiness – A practical guide to making the right choices'.
- ABS (2010), Australian National Accounts: National Income, Expenditure and Product, September Quarter 2009, Cat. 5206.0.
- ABS (2011), Household Wealth and Wealth Distribution, Australia 2009-10 ABS Cat No 6554.0.
- ANZ (2008), ANZ Survey of Adult Financial Literacy in Australia. The Social Research Centre.
- Anthes, W.L. & Most, B.W. (2000), 'Frozen in the headlights: The dynamics of women and money', *Journal of Financial Planning*, 13 (9), 130 – 142.
- ANZ (2011a), ANZ Survey of Adult Financial Literacy in Australia, The Social Research Centre, Melbourne.
- ANZ (2011b), ANZ Corporate Responsibility Interim Report 2011, Melbourne, Australia, <http://www.anz.com/about-us/corporate-responsibility/cr-library/>.
- ANZ (2011c), ANZ Shareholder and Corporate Responsibility Review 2011, Melbourne, Australia, <http://www.anz.com/about-us/corporate-responsibility/cr-library/>.
- ANZ (2012), ANZ MoneyMinded, <http://www.anz.com/about-us/corporate-responsibility/framework/financial-capability/moneyminded/>.
- Arashiro, Z. (2010), Financial Inclusion in Australia: Towards transformative policy, Social Policy Working Paper No 13, Brotherhood of St Laurence.
- ASIC (2011a), National Financial Literacy Strategy, Australian Securities & Investments Commission Report #229, Sydney.
- ASIC (2011b), <http://www.financialliteracy.gov.au/asic-programs>.
- Atkinson, A., McKay, S., Kempson, E. & Collard, S., (2006), Levels of Financial Capability in the UK: Results of a Baseline Survey, Financial Services Authority, Consumer Research 47.
- AusAid (2012), List of developing countries as declared by the Foreign Minister [http://www.usaid.gov.au/publications/pubout.cfm?ID=3845\\_1029\\_3475\\_999\\_2902&Type=](http://www.usaid.gov.au/publications/pubout.cfm?ID=3845_1029_3475_999_2902&Type=).
- Australia Institute (2010), 'Evidence versus Emotion: How Do We Really Make Financial Decisions?', Citi Australia, Canberra.
- Bedson, J. (ed.) (2009), *Microfinance in Asia – Trends, Challenges and Opportunities*, Banking with the Poor Network, Brisbane, Australia.
- Bollard, A., Orr, A. & Drage, D., (2007), Delivering sound and innovative financial services for New Zealand, background paper for an address by Dr Alan Bollard (RBNZ governor) to the Canterbury Employers' Chamber of Commerce, 26 January 2007, <http://www.rbnz.govt.nz/speeches/2928166.html>.
- CFLRI (2009), 2009 Financial Knowledge Survey - Summary, New Zealand Commission for Financial Literacy and Retirement Income, <http://financialliteracy.org.nz/sites/default/files/webfm/Research/fl-surveysummary.pdf>.
- CFLRI (2011b), New Zealand's National Strategy for Financial Literacy Progress July 2010/2011, New Zealand Commission for Financial Literacy and Retirement Income, <http://financialliteracy.org.nz/sites/default/files/FL-ActionPlan-2011.pdf>.
- CFLRI (2012), National Strategy for Financial Literacy 2012, New Zealand Commission for Financial Literacy and Retirement Income, [http://financialliteracy.org.nz/sites/default/files/webfm/National%20Strategy%20for%20Financial\\_Literacy\\_2012.pdf](http://financialliteracy.org.nz/sites/default/files/webfm/National%20Strategy%20for%20Financial_Literacy_2012.pdf).
- CFLRI (2011a), Annual Report 2011, New Zealand Commission for Financial Literacy and Retirement Income, <http://www.retirement.org.nz/files/file/2011%20AR%20web%20version.pdf>.
- Chibba, M. (2009), 'Financial Inclusion, Poverty Reduction and the Millennium Development Goals', *European Journal of Development Research*, Vol. 21, No. 2, pp.213-230.
- Colmar Brunton (2010), ANZ Ngāi Tahu Financial Knowledge Survey, New Zealand, <http://www.financialliteracy.org.nz/sites/default/files/webfm/Research/R-NGAITAHU-SUMMARY-2010.pdf>.
- Cummins, R. (2008), Australian Unity Wellbeing Index Survey 20, The Wellbeing of Australians – Money, debt and loneliness, Deakin University.
- Danes, S.M. & Haberman, H.R. (2007), 'Teen financial knowledge, self-efficacy and behaviour: a gendered view', *Financial Counseling and Planning*, 18 (2), 48 – 60.
- Goodwin-Groen, R. (1998), *The Role of Commercial Banks in Microfinance in the Asia Pacific Region*, Foundation for Development Corporation.
- Foundation for Development Cooperation (2010), FDC Briefing Note, 9, January 2010.
- Haq, M., Hoque, M., & Pathan, S. (2008), 'Regulation of Microfinance Institutions in Asia: A Comparative Analysis', *International Review of Business Research Papers*, Vol. 4, No. 4, Aug-Sept, 2008, pp. 421-450.

- Headey, B. & Warren, D. (2007), *Families, Income and Jobs: A Statistical Report on Waves 1 to 4 of the HILDA Survey*, Melbourne Institute of Applied Economic and Social Research, University of Melbourne.
- Herr, R. & Bergin, A. (2011), *Our Near Abroad: Australia and Pacific Islands Regionalism*, Australian Strategic Policy Institute.
- Hibbert, J.R., Beutler, I.F. & Martin, T.M. (2004), Teacher versus parent influence on financial efficacy and behaviour, in R. Travnicheck (Ed), *Proceedings of the 2004 Annual Conference of the Association of Financial Counseling and Planning*, Association for Financial Counseling and Planning, Denver CO, 51 – 59.
- Heller, E. & Attwood, S. (2011), *Awareness and Usage of MoneySmart Website – Quantitative Research Report*, Sweeney Research, <http://www.financialliteracy.gov.au/media/336505/moneysmart-website-awareness-report.pdf>.
- Holm, M. (2004), *Snakes and Ladders – A Guide to Risk for Savers and Investors*, Corporate Affairs Department, Reserve Bank of New Zealand, <http://www.rbnz.govt.nz/publications/snakesladders.pdf>.
- International Finance Corporation (2011), *Improving Access to Financial Services in the Pacific*, Pacific Microfinance Week, 28 July, 2011.
- ING Direct (2011), *Financial Wellbeing Index Q4 2011* [www.ING Direct.wieck.com/channels/Finacial-Wellbeing-Index/releases](http://www.INGDirect.wieck.com/channels/Finacial-Wellbeing-Index/releases).
- Kempson, E., McKay, S. & Collard, S. (2003), *Evaluation of the CFLI and Saving Gateway Pilot Projects*, Personal Finance Research Centre, Bristol.
- Kempson, E. & Finney, A. (2009), *Saving in lower-income households: A review of the evidence*, Personal Finance Research Centre, Bristol.
- MasterCard (2011), *How Well Do Women Know Their Money: Financial Literacy Across Asia Pacific, Middle East and Africa*, MasterCard Worldwide Insights 1Q2011, [http://www.masterintelligence.com/uploads/263/189WomensFinancialLiteracyAPMEA\\_S.PDF](http://www.masterintelligence.com/uploads/263/189WomensFinancialLiteracyAPMEA_S.PDF).
- Legge, J. & Heynes, A. (2008), *Beyond Reasonable Debt: A Background report on the indebtedness of New Zealand families*. Research report December 2008. Families Commission and Retirement Commission, Wellington. Published online: [www.nzfamilies.org.nz/files/family-indebtedness/index.html](http://www.nzfamilies.org.nz/files/family-indebtedness/index.html).
- Lusardi, A., Mitchell, O.S. & Curto, V. (2010), 'Financial Literacy Among the Young', *The Journal of Consumer Affairs*, 44(2), 358-80.
- NATSEM–AMP Income and Wealth Report (2010), *The Pursuit of Happiness: Life Satisfaction in Australia*, Issue 26, University of Canberra.
- OECD (2009a), *Financial Literacy and Consumer Protection: Overlooked Aspects of the Crisis*, OECD Recommendation on Good Practices on Financial Education and Awareness Relating to Credit.
- OECD (2009b), *OECD Project on Financial Education and its International Network on Financial education*, <http://www.financial-education.org>.
- OECD (2011), 'Improving Financial Education Efficiency: OECD-Bank of Italy Symposium on Financial Literacy', OECD Publishing, <http://dx.doi.org/10.1787/9789264108219-en>.
- OECD (2011), *OECD-Bank Indonesia Asian Roundtable on the Role of Central Banks in Financial Literacy and Inclusion*, Jakarta, Indonesia, 28 June 2011.
- OECD (2010a), 'Guide to Evaluating Financial Education Programmes', International Network on Financial Education, <http://www.oecd.org/dataoecd/3/47/47220527.pdf>.
- OECD (2010b), 'PISA 2012 Financial Literacy Framework', The OECD Programme for International Student Assessment (PISA), <http://www.pisa.oecd.org/dataoecd/8/43/46962580.pdf>.
- Okerstrom, E. (2010), *Financial literacy: considerations in the development of a conceptual framework for measuring in low to middle income countries*, presentation to the AMSRS National Conference, 2010.
- Oliver, S. (2011), *Consumer Caution in Australia* AMP Capital Investors Insights, June 2011.
- Pacific Islands Forum Secretariat (PIFS) (2010), *Update On Regional Initiatives For Improving Financial Literacy And Capability & Forum Economic Ministers Meeting*, Alofi, Niue, [http://www.forumsec.org/resources/uploads/attachments/documents/OSS\\_Update\\_on\\_Financial\\_Literacy\\_and\\_Capability\\_Initiatives.pdf](http://www.forumsec.org/resources/uploads/attachments/documents/OSS_Update_on_Financial_Literacy_and_Capability_Initiatives.pdf).
- PFIP (2012), *Projects and Activities*, UNDP Pacific Financial Inclusion Programme, <http://www.pfip.org/what-we-do-in-pacific/projects-activities/>.
- Pleasance, P., Buck, A., Balmer, N.J. & Williams, K. (2007), *A helping hand: The impact of debt advice on people's lives*, Legal Services Research Centre, London.
- Reserve Bank of Australia (2011), *Chart Pack Dec 2011* <<http://www.rba.gov.au/chart-pack/pdf/chart-pack.pdf>>.
- Reserve Bank of India (2012), *Reserve Bank of India: functions and working of the RBI*, <http://www.rbi.org.in/home.aspx>.

- Reserve Bank of New Zealand (RBNZ) (2011a), Statement of Intent – For The Period 1 July 2011 to 30 June 2014, <http://www.rbnz.govt.nz/about/whatwedo/soi2011.pdf>.
- Reserve Bank of New Zealand (RBNZ) (2011b), Annual Report 2011, [http://www.rbnz.govt.nz/about/whatwedo/rbnz\\_2011\\_ar.pdf](http://www.rbnz.govt.nz/about/whatwedo/rbnz_2011_ar.pdf).
- Reserve Bank of New Zealand (RBNZ) (2011c), Financial Stability Report - November 2011, [http://www.rbnz.govt.nz/finstab/fsreport/fsr\\_nov2011.pdf](http://www.rbnz.govt.nz/finstab/fsreport/fsr_nov2011.pdf).
- Rudd K. (2011), Budget: Australia's International Development Assistance Program 2011 – 2012, Commonwealth of Australia.
- Russell, R., Bailey, D., Wall, L. & Brooks, R. (2011), MoneyMinded Summary Report: Featuring A Case Study of Mission Australia's Financial Literacy Program for Youth At-risk, for ANZ and Mission Australia, Australia.
- Russell, R., Wall, L. & Doan, M.P. (2011a), Evaluation of Saver Plus Past Participants, for ANZ.
- Russell, R. & Yoosuf, H. (2011), Case study evaluation of the MilbaDjunga (Smart Money) Program. Report for ASIC.
- Subbarao, D. (2010), Financial education: worthy and worthwhile. Speech by Governor, RBI at the RBI-OECD Workshop at Bangalore, March 22, 2010.
- Sakalaki, M., Richardson, C. & Bastounis, M. (2005), Association of Economic Internality with Saving Behaviour and Motives, Financial Confidence, and Attitudes Toward State Intervention, *Journal of Applied Social Psychology*, 35 (2), 430-443.
- Sherraden, M. & Schreiner, M. (2005), Drop-out from individual development accounts: Prediction and prevention, *Financial Services Review*, 14, 37-54.
- Stevens, G. (2012), Opening Statement to House of Representatives Standing Committee on Economics 24 Feb.2012.
- Tarrant, L. (2011), Economic growth just a spectator sport for low-paid workers, *National Times*, 1 March 2011 <http://www.nationaltimes.com.au/opinion/society-and-culture/economic-growth-just-a-spectator-sport-for-lowpaid-workers-20110228-1bbna.html>.
- Taylor, M., Jenkins, S. & Sacker, A. (2009), Financial Capability and Wellbeing: Evidence from the BHPS, Institute for Social and Economic Research, University of Essex.
- The Australia Institute (2011), The price of disloyalty: why competition has failed to lower ATM fees. Policy brief No. 23 ISSN 1836-9014.
- The Reserve Bank of Australia (2008), The Importance of Financial Literacy, Address to the Conference on Deepening Financial Capacity in the Pacific Region. Keith Hall, Sydney, 25 August 2008.
- UNDP (2010), APRC Annual Report 2010, UNDP Asia-Pacific Regional Centre.
- Widdowson, D and Hailwood, K. (2007), Financial literacy and its role in promoting a sound financial system. Reserve Bank of New Zealand Bulletin, 70 (2).
- World Bank (2011), Assessment of the social protection system in Fiji and recommendations for policy changes, Report no. 63568-FJ.
- World Bank (2012), Measuring financial inclusion: The Global Findex Database, Policy Research Working Paper 6025. Development Research Group, Finance and Private Sector Development Team.

## REFERENCES

