



# MONEYMINDED REPORT 2012

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# MoneyMinded

**MoneyMinded Report 2012**

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Cover photo: MoneyMinded for Saver Plus participant

# FOREWORD

We are pleased to present the MoneyMinded report for 2012. Since 2005 MoneyMinded has reached over 200,000 people. The overwhelming majority of those people are in Australia.

In 2012 almost 35,000 Australians took part in MoneyMinded. Of these, 79 percent were women. Many were sole parents (38 percent) and over a quarter were unemployed.

The most commonly reported experience of participants was that after MoneyMinded they found they could save, albeit small amounts. Many reported not having saved before and that being able to save had reduced their levels of stress and worry about debt and money. They felt more confident and in control of their money.

Thank you to those who participated in the research into MoneyMinded. Our thanks also to our valued MoneyMinded partner organisations – Anglicare SA, Berry Street, Brotherhood of St Laurence, Kildonan UnitingCare, Mission Australia, The Benevolent Society and The Smith Family. This year's MoneyMinded Report shows you have equipped over 40,000 lower income earners with money management skills that are improving their lives.



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# 1.0 ABOUT THIS REPORT AND MONEYMINDED

‘MoneyMinded made me take a look and gave me confidence to try and make changes.’  
(MoneyMinded participant)

**This report provides an annual update on MoneyMinded and its use in communities across Australia and the Asia Pacific region.** It gives an estimate of the program’s reach across 15 countries, including Australia, for the year ending September 2012. It also details the most common characteristics of the people who have received MoneyMinded education during the reporting period.

**MoneyMinded is a financial literacy program developed by ANZ in 2003 that helps people build their financial skills, knowledge and confidence.** It is delivered in partnership with community organisations to groups that are marginalised or financially excluded, including sole parents, migrant groups, people with disability, people seeking employment and young people at risk.

**Since 2005, MoneyMinded has reached over 200,000 people, making it the most widely used financial literacy program in Australia.** In 2010, MoneyMinded Pacific was adapted from MoneyMinded to help people in the Pacific build financial knowledge, skills and confidence. From 2011 to 2012 the program was expanded to American Samoa, Cook Islands, Fiji, Hong Kong, India, Indonesia, Kiribati, New Zealand, Papua New Guinea, Samoa, Solomon Islands, Timor Leste, Vanuatu and Vietnam. In 2005, ANZ adapted the material to produce **MoneyBusiness**, a financial literacy program for Indigenous Australians, in partnership with the Australian Government.

**MoneyMinded offers independent and unbiased consumer information.**

ANZ developed MoneyMinded in partnership with community organisations and education experts including the Australian Financial Counselling and Credit Reform Association (AFCCRA), now Financial Counselling Australia (FCA), the Financial Counsellors Association of NSW Inc. (FCAN) and the Australian Securities and Investments Commission (ASIC).

**MoneyMinded is a suite of financial education resources** 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 range of MoneyMinded topics. Items such as payday lending, insurance and utility bills are also covered throughout the MoneyMinded topics.

**TABLE 1:**  
MoneyMinded modules and topics

<b>MODULE</b>	<b>TOPICS</b>
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

The following terminology is used in the report:

- > ‘MoneyMinded facilitator’ refers to community educators and financial counsellors who have experience in financial counselling and/or adult education and training, have completed MoneyMinded facilitator training and intend to deliver MoneyMinded to members of their communities.
- > ‘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.

## 2.0 RESULTS

### 2.1 PARTICIPANTS REACHED

- > Between 1 October 2011 and 30 September 2012, an estimated total of 40,098<sup>1</sup> people received MoneyMinded education through a workshop setting or in one-to-one counselling sessions across Australia and the Asia Pacific region.
- > The largest proportion of participants was in Australia where an estimated 34,907 individuals participated in MoneyMinded education.
- > Across the remaining 14 countries, an estimated 5,191 participants were reached.

#### Characteristics of MoneyMinded participants

Participants came from a variety of backgrounds: some were experiencing hardship due to high levels of debt and limited income, and others had low incomes and required assistance with managing their expenses and bills. Some participants had very low levels of financial knowledge, while others were experienced in managing their money but benefitted from learning about financial topics such as superannuation or financial products and services.

There were significantly more females (78.8 per cent) than males who participated in the program. Participants were more likely to be sole parents (37.6 per cent); and/or unemployed (25.8 per cent). There were 3 per cent of participants who identified as Aboriginal and Torres Strait Islanders and 17.9 per cent were from Non-English Speaking Backgrounds (NESB).

**TABLE 2:**

Characteristics of MoneyMinded participants

<b>CHARACTERISTICS OF PARTICIPANTS</b>	<b>(%)</b>
Female	78.8
Male	21.2
Sole parents	37.6
Unemployed	25.8
Language other than English spoken at home	17.9
New migrant	12.8
Under 18 years of age	10.6
Disabled persons	5.1
Aboriginal and Torres Strait Islander	3.0
Carers	1.9*
Over 65 years of age	1.8*

\* Small sample size, the average may not be accurate.

<sup>1</sup> This total includes a mix of estimated and exact numbers.

## 2.2 IMPACT OF MONEYMINDED ON PARTICIPANTS

Facilitators reported that the MoneyMinded program had a range of positive impacts on participants. Following are the most common areas of learning and impact for participants.

### Taking control

Participants found that MoneyMinded was valuable in helping them to develop skills in taking control of their money. For some it was learning how to limit spending on takeaway food or incidental purchases (spending leaks) which negatively affected their budgeting efforts, or being able to set a savings goal and feel able to achieve it by controlling incidental spending. Many participants found that they gained a sense of control from focusing on the simple processes of keeping track of day-to-day spending and planning for future expenses. Facilitators reported that being able to budget, plan and save had a huge impact on the quality of peoples' lives.

*'I did not realise how many spending leaks I had until we looked at it closely.'*  
(MoneyMinded participant)

Using a budget and planning ahead with the support of a financial counsellor has helped many people change their behaviour and outlook on the future. Several participants had in the past frequently used payday lenders and subsequently incurred large debts. MoneyMinded, along with support from a financial counsellor, enabled these participants to regain control over their lives, reduce their stress and implement a manageable plan to deal with the creditors.

*'Although I already knew most of the tips and tricks, I had been struggling with my finances for over a year and it had created instability in all areas of my usually organised life; right down to being able to manage daily activities and simple tasks. Just being focused on the [MoneyMinded course material] allowed me to regain control of my finances and the overwhelming relief that I now feel from being on top of things again is indescribable.'*  
(MoneyMinded participant)

*'I am so in control that it's scary.'*  
(MoneyMinded participant)

### Saving

Saving money was commonly reported as the most important skill participants gained, as it signalled a major change in behaviour, which in turn had a positive impact on their lives. For some it was learning that even on a limited income they were able to save by eliminating impulsive spending, budgeting for expenses and planning ahead. Along with learning specific techniques and practical strategies to help with saving, participants developed an expectation that saving was actually possible. Facilitators reported that many participants had never saved before, were burdened with debt and had trouble paying bills or other recurring expenses. A common outcome was that participants discovered that saving could be done with very small amounts and that over time this would grow.

*'I was unaware that I could save that amount of money. I can now save for my car.'*  
(MoneyMinded participant)

*'With an increased understanding that 'saving' does not have to be 'big', participants are able to save in many areas which has led to a reduction in seeking emergency assistance as budgeting skills have increased.'*  
(MoneyMinded facilitator)

*'Another participant who thought she would never have enough left to 'pay herself first', implemented this practice [of saving small amounts] and was really surprised that she was still able to meet all her current commitments.'*  
(MoneyMinded facilitator)

## 2.0 RESULTS

Facilitators recounted incidents of clients who, after participating in MoneyMinded, had completely changed their money management behaviour and were now managing debt effectively and saving.

### **Budgeting**

Developing and using a budget was seen as a very useful and effective part of the program by many participants. Facilitators reported that the way budgeting is covered in the program resulted in increased use of a budget and also gave participants an increased understanding of working with their money overall.

Along with 'saving', budgeting was the most commonly mentioned element of the program in the feedback received by facilitators. Many participants found this topic to be easily applied in their lives as it helped them understand how much money they had, what their expenses were, how much they spent on incidentals and how much they were able to save. Participants who felt they were good at budgeting also felt they gained new learnings which improved their financial situations. Participants remarked that the MoneyMinded program made them think more about what they spend and to consider the future more. Participants used the words 'stop and think' to express the different perspective they gained as a result of the workshop. Participants changed the way they thought about spending money - from previously being impulsive and spending whatever money was available, to considering future needs, delaying spending in order to save and making a conscious decision to control spending in order to have things they wanted.

*'Before we had nothing on the second day of our pay and now we actually have money, it's all there to last us the week!'*  
(MoneyMinded participant)

### **Retaining the knowledge and skills**

A number of facilitators gave feedback about participants who had maintained the practices they had learned on the program. One facilitator gave the example of a young woman who had attended the program as a high school student a couple of years previously, had re-read the course material and was able to apply what she had learned to save to buy a car. MoneyMinded, even a few years later, had helped this young woman to take control of her finances and achieve a goal. This example illustrates that the program can have a lasting impact on young people. Other facilitators recounted incidents of clients who, after participating in MoneyMinded, had completely changed their money management behaviour and were now managing debt effectively and saving, and as a result had transformed their lives.

*'I now have the skills and will share them with my family.'*  
(MoneyMinded participant)

## Knowledge

Many participants commented on the knowledge they had gained and how useful it was, such as: understanding superannuation; how to make complaints as consumers; understanding and accessing credit rating; benefits and use of online banking; bank accounts without fees; how credit cards work; compound interest; and loans.

*'I know I have rights'; 'I did not know that credit cards cost this much'; 'I know where to go to get assistance.'*

*(MoneyMinded participants)*

*'A participant from a refugee background said that she was given \$5,000 by the bank to spend on her credit card. Other participants quickly corrected her that the \$5,000 is the credit limit and that it is not her money and that she will need to pay it back! She was very shocked that if she just paid the minimum, she needs maybe 40 years to pay off the \$5,000 card debt!'*

*(MoneyMinded facilitator)*

A number of participants who felt they had a good understanding of budgeting already, found they still learned a lot, particularly about superannuation. Facilitators reported that an improved understanding of how accounts worked, the cost of credit card interest and account fees were having a tangible impact on participants' money management behaviour.

*'A participant who was using her credit card to pay for everything she bought, hoping to earn frequent flyer points, found that she was never able to pay her card out at the end of each month. When she realised she was paying interest on most of her purchases, and the points were costing her so much she was really surprised and decided she would change the way she shopped and focus on paying her credit card off completely. She has reported that she has been able to start a savings plan because she now has more money.'*

*(MoneyMinded facilitator)*

## Psychological wellbeing

Many participants increased their understanding of the attitudes and motivations that influenced spending. Their comments also indicated that they had developed ways of reducing the stress and worry about money and debt. Participants learned that financial problems can be overcome by applying appropriate strategies. Many participants experienced increased confidence with the awareness that through the realistic and practical knowledge and skills gained, they can achieve their goals.

A number of participants reported that for the first time they felt they were not trapped by their problems and that situations could improve by taking small steps. 'Empowerment' was a common term used by facilitators when describing the impact of the program on participants and one facilitator described the program's effect as being like a 'light globe' going on for some participants, in the way that it transformed their way of thinking. Facilitators indicated that the development of financial knowledge and skills had a positive psychological effect on participants by improving their confidence in dealing with adversity.

*'MoneyMinded gave me more confidence.'*  
*(MoneyMinded participant)*

*'Confidence is definitely obvious, as they feel more in control and have information to deal with their finances.'*

*(MoneyMinded facilitator)*

## 2.0 RESULTS

### Effectiveness of workshops

Participants found the workshop facilitators and other participants to be supportive and encouraging. There were many comments praising facilitators, their knowledge, approachability, patience, ability to explain things clearly and how enjoyable they made the sessions. Some commented on the helpfulness and support given by other participants and how much it helped to hear other people's views and experiences with managing money. Participants in general found that workshops that included individuals from a variety of backgrounds with a range of experiences were particularly enjoyable and useful. Some facilitators also felt these workshops encouraged a greater sense of community among participants because it helped those who may have felt isolated in their experiences to learn that many others faced the same challenges. In some cases people expressed their initial concerns about not being able to understand the content (particularly those from a NESB), but soon discovered their concerns were unfounded and they did develop a very good understanding of the material and wanted to bring other family members to future workshops.

The discussions generated in the workshops helped people discover how they could best apply the knowledge and skills in their own lives. Many participants commented that the discussion was useful to them as a way of working out what was important to them and listening to the stories of others. They also felt reassured that there is not one right approach and that everyone needs to work out how to manage their finances to suit their own lives and needs.

*'I now feel more able to make educated financial decisions.'*  
(MoneyMinded participant)

*'It has helped me understand what was important to me. Thinking about where I put my money was helpful. [It] reminded me of things I know I should be doing but I'm not.'*  
(MoneyMinded participant)

Some people who had previously experienced difficulty with credit cards, superannuation, electronic banking and operating bank accounts, found they were able to understand and use information about these topics for the first time. There were many comments indicating the MoneyMinded content was easily understood and pitched at the appropriate level, such as:

*'Clear explanations'; 'eye-opening'; 'now I understand'; 'explained everything carefully and clearly'; 'great learning from each other.'*  
(MoneyMinded participants)

Many facilitators felt that most participants would take something useful away from the workshops and be able to apply it successfully in their own lives. Facilitators reported many participants had made immediate changes in their lives as a result of the program such as; going to the bank for the first time to open a new account; starting a savings plan; setting up a payment plan for bills; and offering alternatives to expensive forms of credit (e.g. payday lenders).

*'MoneyMinded made me take a look and gave me confidence to try and make changes.'*  
(MoneyMinded participant)

*'I was able to cut my shopping bill in half and this has changed the way I will shop and spend for the rest of my life.'*  
(MoneyMinded participant)

*'One participant has found that she actually does have enough money to pay her rent and buy food. Introducing this client to MoneyMinded workshops has changed her life.'*  
(MoneyMinded facilitator)

