



SAVER PLUS: A DECADE OF IMPACT

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In 2003 with the Brotherhood of St Laurence we developed and piloted a new program that encouraged people on lower incomes to save.

Today that program, Saver Plus, operates across Australia. More than 500 of our branches refer people to the program. More than 23,000 people have participated, becoming long term savers. Saver Plus has helped lower income Australians get their kids to school in uniform and with the IT equipment they need, buy household goods, and set up and manage the household budget. For some, home ownership has become a reality.

Partnership is the key to the success of Saver Plus. I thank our community partners: the Brotherhood of St Laurence, Berry Street, the Benevolent Society and the Smith Family for their work in delivering the program and working with us through the refinements and changes that occur over a decade.

I also thank and acknowledge the Australian Government for the funding provided to the Brotherhood of St Laurence and other partners that has enabled Saver Plus to be delivered across Australia. Without this funding, far fewer individuals and families would have benefitted.

For our part, ANZ remains committed to working with our partners in the communities we serve to build the money management capabilities of Australians.

Phil Chronican

CEO Australia,
ANZ



The Brotherhood of St Laurence has long recognised that if disadvantaged Australians are to build a good life for themselves in the modern economy, like all of us, they need to have financial literacy and access to affordable financial services. The Saver Plus program has been a key plank of this approach, and guided more than 23,000 people on low incomes to develop a habit for saving since being launched in 2003.

These are financial habits that transform the lives of individuals and families and the program's core success shows that, with appropriate support, those on low incomes can save, build assets and repay debt.

Together, ANZ and the Brotherhood have built a partnership that profits the community. With the support of the Australian Government and other community agencies, Saver Plus has now grown to 60 locations making it Australia's largest and longest running matched savings and financial education program. The benefits of this milestone for the participants, both in terms of financial management and cultivating well-being and confidence, resonate in the pages of this informative report.

Tony Nicholson

Executive Director,
Brotherhood of St Laurence



I strongly believe all Australians should have the opportunity to be self-sufficient and lead productive lives for themselves, their families and for the Australian community.

Programs such as Saver Plus enable participants to take control of their finances and improve their circumstances. Saver Plus helps people living on low incomes to build their financial capabilities, while saving for a purpose related to education. There is substantial research and evidence demonstrating that education provides a clear pathway out of welfare dependency. This program changes participant's behaviour, with many participants continuing to save for essential items well after completion and be more resilient to financial shocks and challenges.

Since the Australian Government started funding the program, Saver Plus has expanded reach to 60 sites across Australia. One of the many benefits identified by research into Saver Plus is that participants feel more confident and in control of their lives and this enables them to pursue employment, increase their income and reduce dependence on welfare, while building their assets and savings.

The Saver Plus program is an outstanding example of a successful Community-Business partnership. ANZ and the Brotherhood of St Laurence have been working together for over a decade to assist more than 23,000 Australians to build their financial capabilities and save to better their circumstances.

I commend this report, which demonstrates the effort and commitment of ANZ, Brotherhood of St Laurence and partner organisations to build people's financial wellbeing and capability to lead productive lives.

The Hon. Scott Morrison MP

Minister for Social Services



There are countless individual stories of the families whom The Smith Family supports that clearly illustrate the important difference that participation in Saver Plus has made to their lives. Families who, through the realisation that they can put a little aside each month to support their children's education, have achieved goals even beyond their original ambition. From buying their first home to paying for a special course or piece of equipment for their child, or developing their own skills the sense of agency through achievement of their goals has opened up a world of possibilities.

Saver Plus is an integral part of The Smith Family's suite of evidence-based programs in the 94 communities in which we work across Australia. Its focus on supporting educational achievement, engaging parents and building capacity in the home strongly aligns with our vision of a better future for young Australians in need. We are proud to be a partner in this great program.

Most importantly for The Smith Family, the program results speak for themselves as evidenced in this report. Program results have been consistent, enduring and compelling. We look forward to continuing to provide the opportunity for our families to achieve great things through Saver Plus.

Dr Lisa O'Brien

CEO,
The Smith Family

FOREWORDS



It doesn't seem that long ago since our first discussion with ANZ about being involved in the pilot Saver Plus program in Shepparton. Right from the beginning, feedback from participants has been overwhelmingly positive. Providing an incentive to save with matched funds and their increased financial literacy have, with some people, literally changed their life.

The subsequent rollout of Saver Plus across 10 sites in metropolitan and regional Victoria has strengthened Berry Street's contribution to building capacity in local communities.

The partnership between ANZ, community organisations & (more recently) the Department of Social Services has set new benchmarks on how the three sectors can work together to improve financial literacy.

Sandie de Wolf AM

CEO,
Berry Street



The Benevolent Society takes an early intervention approach, to tackle emerging problems before they reach crisis point. That's why we're committed to Saver Plus. We know from research that participants feel a greater sense of control and are able to plan ahead and cope with unexpected expenses.

Since we began delivering Saver Plus, 5,080 people have collectively saved more than \$2 million, matched by ANZ. From Campbelltown to Cairns, families have learned to plan, budget and save to support their children's education and vocational training. Computers, swimming lessons, sports uniforms and other 'extras' that were previously out of reach have become achievable goals.

Saver Plus boosts their confidence, helps to build their resilience and gives them renewed hope for their future.

We congratulate ANZ and Brotherhood of St Laurence for their vision in developing Saver Plus and we look forward to working with all our program partners on another decade of saving.

Joanne Toohey

Acting CEO,
The Benevolent Society

ACKNOWLEDGMENTS

This report presents an opportunity to acknowledge the many people involved in Saver Plus over a decade of impact – from participants in all parts of Australia, to the many people working in local community organisations to deliver the program, to supporters and partners in the business, community and government sectors. The contributions have been many, varied and extensive, and we thank everyone who has been involved in what has become one of the world’s longest running and most successful matched savings programs.

ANZ and Brotherhood of St Laurence would like to particularly acknowledge RMIT University for its pivotal role as research partner since the very first pilot program in 2004. This work has enabled the Saver Plus partners, along with many other stakeholders in Australia and around the world, to learn a great deal about effective ways to support people to improve their financial literacy and build a lasting savings habit and assets for the future.

Specific findings from the current phase of the program are outlined in the companion report *Evaluation of Saver Plus Phase 5: 2011 to 2014*.

SAVER PLUS PARTNER ORGANISATIONS:



**Brotherhood
of St Laurence**
Working for an Australia free of poverty



Australian Government
Department of Social Services



everyone's family



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“ TESTIMONIAL

I've learnt that by saving just a little each week, it will add up. By having goals in place I found it more beneficial than just saving money for no purpose. I've learnt to save for wanted items, rather than use credit cards or store cards.

This program has had a massive impact on my family and personal life. The year I did the savings I was on a Single Parent Disability Pension. I saved for the program, a holiday to Tasmania, and paid off bills along the way. I used to be a huge impulse buyer, but I have now learnt to live within my means.

I currently have a part time job and I have just been approved for a car loan. I have paid off all credit cards and store cards, and have only one lower payment for the loan. My next goal is a house deposit.

Thank you for the program, it is very beneficial if you take the advice and listen!"

**Participant (La Trobe, VIC)
Saver Plus delivery: Berry Street**

Saver Plus is the product of a successful long-term partnership between ANZ and the Brotherhood of St Laurence. Together, they designed and developed the program and manage its implementation. ANZ provides the matched funds, banking systems and various program resources. The Saver Plus National Office (SPNO), housed within the Brotherhood of St Laurence, provides the administration of the program and support to community partners to assist them in implementing and delivering Saver Plus.

Saver Plus has been supported by the Australian Government since 2009. The program now represents a best practice example of community-business-government partnership, with each sector providing their unique expertise and resources to the mutual goal of increased financial wellbeing and capability for lower-income Australians.

Saver Plus Partner organisations include The Smith Family, Berry Street and The Benevolent Society, each of whom have supported ANZ and Brotherhood of St Laurence in the national governance and development of the program since its inception, and are responsible for their own service delivery across Australia.

Saver Plus is delivered in 60 sites across Australia through these partners and other community organisations under a Saver Plus license agreement. The license agreement with each organisation ensures the program is delivered consistently across all sites. The following organisations currently deliver the Saver Plus program: Brotherhood of St Laurence, The Benevolent Society, Berry Street, The Smith Family, Haven, Ballarat Group Training, Bethany, Jewish Care Victoria, AnglicareSA and Anglicare WA.



PARTICIPANT

- > Over 23,000 participants since 2004.
- > 86% are women.



AGREEMENT

Meets with a Saver Plus worker from a community organisation. Makes agreement to save a regular amount of money over a 10-month period.



SAVE

Opens a savings account and makes regular deposits.



EDUCATION

Attends MoneyMinded financial sessions developed by ANZ and receives support and encouragement from a Saver Plus worker when required.



MATCHING

Reaches savings goal. ANZ matches savings dollar-for-dollar up to \$500. Money used for their children's or own education expenses.



OUTCOMES

- > 87% continue to save the same amount or more up to three years after program completion.
- > A range of social and economic outcomes are outlined on page 27.

Saver Plus is delivered in 60 sites across Australia through partners and other community organisations under a Saver Plus license agreement.

WHO IS ELIGIBLE TO PARTICIPATE IN SAVER PLUS?

The eligibility criteria for participation in Saver Plus are:

- > Be 18 years or over
- > Be either:
 - A parent or guardian of a child attending school in the year of enrolment or the following year
- Or
 - Attending or returning to vocational education where they will receive an accredited vocational education certificate
- > Have a current Health Care Card or Pensioner Concession Card
- > Have regular income from paid employment (participant or partner)
- > Be able to demonstrate a capacity to save after regular expenses have been paid
- > Have a connection to the area in which the Saver Plus program is run, by living, working, studying or having children at school in the area.

The program requires individuals to identify and save toward an eligible education-related savings goal and participate in at least 10 hours of the MoneyMinded¹ financial education program offered as part of Saver Plus. There are four workshops which cover topics such as Planning and Budgeting, Saving and Spending, Everyday Banking, and Planning for the Future.

Participants open an ANZ Progress Saver account and make regular and consistent deposits over a 10 month period. At the successful completion of the program every \$1 saved by the participants while on the program is matched by ANZ with an additional \$1, up to \$500. As part of the 10-month program, participants have access to a Saver Plus worker who provides advice and assistance if participants face challenges that affect their capacity or ability to save.

¹ MoneyMinded is ANZ's flagship financial literacy program developed in 2003. A 'short course' version of MoneyMinded (MoneyMinded Basics) consisting of four workshops is used in Saver Plus.

SAVER PLUS LOCATIONS

VICTORIA	DELIVERY ORGANISATION
Albury and Wodonga	Berry Street
Ballarat and surrounding districts	Ballarat Group Training
Bass Coast and South Gippsland	Berry Street
Brimbank	The Smith Family
Casey and Cardinia	Brotherhood of St Laurence
Craigieburn and surrounding districts	Brotherhood of St Laurence
East Gippsland	Berry Street
Frankston and Mornington Peninsula	Brotherhood of St Laurence
Greater Bendigo	Haven
Greater Dandenong, Monash and Knox	Berry Street
Greater Geelong	Bethany Community Support
Greater Shepparton	Berry Street
Latrobe Valley	Berry Street
Maryborough and surrounding districts	Haven
Mildura and surrounding districts	Haven
Moira and Campaspe	Berry Street
Port Phillip, Glen Eira and Kingston	Jewish Care Victoria
Ringwood	Berry Street
Wangaratta , Benalla and Alexandra	Berry Street
Wellington	Berry Street
Werribee	The Smith Family
Yarra, Moreland, Darebin and Moonee Valley	Brotherhood of St Laurence

NEW SOUTH WALES	DELIVERY ORGANISATION
Albury and Wodonga	Berry Street
Bathurst and Orange	The Benevolent Society
Blacktown and Penrith	The Smith Family
Central Coast	The Smith Family
Coffs Harbour	The Smith Family
Dubbo and surrounding districts	The Smith Family
Fairfield	The Smith Family
Greater Taree	The Smith Family
Hurstville	The Benevolent Society
Illawarra and Wollongong	The Smith Family
Inner West Sydney	The Benevolent Society
Macarthur region	The Benevolent Society
Newcastle	The Smith Family
Sydney Metro	The Benevolent Society
Tamworth and surrounding districts	The Benevolent Society
Wagga Wagga and surrounding districts	The Smith Family

SAVER PLUS IN SUMMARY

AUSTRALIAN CAPITAL TERRITORY	DELIVERY ORGANISATION
Canberra and Queanbeyan region	The Smith Family
QUEENSLAND	DELIVERY ORGANISATION
Brisbane North	The Smith Family
Brisbane South	The Smith Family
Cairns	The Benevolent Society
Gold Coast North (Nerang)	The Benevolent Society
Gold Coast South (Coolangatta)	The Smith Family
Ipswich	The Smith Family
Logan	The Benevolent Society
Moreton Bay	The Benevolent Society
Rockhampton	The Smith Family
Sunshine Coast	The Smith Family
Townsville	The Smith Family
SOUTH AUSTRALIA	DELIVERY ORGANISATION
Adelaide Northern region	AnglicareSA
Port Adelaide, Enfield and Charles Sturt	The Smith Family
Salisbury and Playford	AnglicareSA
South Adelaide	AnglicareSA
NORTHERN TERRITORY	DELIVERY ORGANISATION
Darwin and surrounds	Anglicare NT ²
WESTERN AUSTRALIA	DELIVERY ORGANISATION
Albany	Anglicare WA
Kwinana and Rockingham	The Smith Family
Mandurah	Anglicare WA
Mirrabooka	The Smith Family
TASMANIA	DELIVERY ORGANISATION
Northern Tasmania	The Smith Family
Southern Tasmania	The Smith Family

² Anglicare NT has recently ceased delivering Saver Plus in Darwin, NT

This report presents a summary of the high-level outcomes and impacts of Saver Plus over the last 10 years. A companion report detailing the evaluation of the latest round of Saver Plus ('Phase 5') to date is also available. The Phase 5 evaluation represents the latest in a series of reports conducted by RMIT University and others since Phase 1 in 2004.

Saver Plus has been delivered in Australia since 2004 and has enrolled over 23,000 people across 60 locations. The program has been supported by the Australian Government since 2009. Currently, the program is in Phase 5, a four-year Phase due to conclude in June, 2015.

Saver Plus enables people living on low-incomes to build their financial capabilities while saving for a purpose related to their own education or their child's. The program includes MoneyMinded financial education, matched savings up to \$500, and support from a partner community organisation.

The program design is based upon international evidence showing that if low-income people are provided with the appropriate structures and incentives they can and will save. Saving itself provides significant social and economic benefits to individuals, families and the community.

Saver Plus builds financial capabilities and the ability to save, in turn leading to increased levels of financial self-efficacy³. The evidence shows increased financial resilience and wellbeing for participants.

Following are the key financial and wellbeing outcomes from Saver Plus over the past decade (2004-2014).

SUMMARY OF SOCIAL AND ECONOMIC OUTCOMES

- > Since 2004, 14,934 participants who completed Saver Plus by July 2014 had saved over \$13.5 million.
- > Since 2009, Australian Government assistance to Saver Plus has been a catalyst for \$16 million in private sector spending on education⁴, with a Social Return on Investment of at least \$3.98 for every dollar of public sector funds.
- > Investment in education led to:
 - Better employment opportunities
 - Increased income levels
 - Increased intergenerational opportunities
 - Increased financial security.
- > The program has demonstrated the following benefits for participants:
 - Increased financial capabilities
 - Increased levels of financial self-efficacy
 - Increased financial resilience
 - Improved personal and social wellbeing.

³ Financial self-efficacy can be defined as 'having the confidence in one's ability to deal with a monetary situation without being overwhelmed' (Hira, 2010, p15).

⁴ In addition to extra spending on education up to June 2014 it is anticipated there will be a further \$11 million of private sector funds devoted to education from 2015 to 2017.

Saver Plus builds financial capabilities and the ability to save, in turn leading to increased levels of financial self-efficacy. The evidence shows increased financial resilience and wellbeing for participants.

Saving

Since Saver Plus

- > 87% are saving the same amount or more since completing Saver Plus
- > 84% encourage children and family members to save.

Managing money

Since Saver Plus

- > 87% are better able to plan ahead
- > 85% have more control over their finances
- > 81% are better equipped to deal with unexpected expenses
- > 78% are better able to make ends meet.

Financial decision-making

Since Saver Plus

- > 88% are more aware of where to get help with financial decision-making
- > 86% are better able to deal with financial problems
- > 83% have an increased knowledge of financial products and services.

Wellbeing

Since Saver Plus

- > 93% have increased self-esteem
- > 71% have increased confidence
- > 68% have reduced levels of stress
- > 58% feel more connected with their community.

Saver Plus has also facilitated a range of important outcomes for participants that are associated with participation but were not primary objectives of the program.

Secondary outcomes

Since Saver Plus

- > 82% increased social networks
- > 58% feel more connected with their community
- > 52% continued to invest in education
- > 48% reduced reliance on Government benefits
- > 41% increased their income
- > 39% started a new job
- > 35% feel more confident in applying for work
- > 34% decreased household debt
- > 27% have taken out insurance policies
- > 18% increased superannuation contributions.

1.0 INTRODUCTION



Saver Plus management meeting. L-R: Tobias Warren (ANZ), Claire Lindsay-Johns (SPNO), Sarah Tesoriero (SPNO), Matthew Taylor (The Smith Family), Cheryl Allen-Ankins (The Smith Family), Emily Rolfe (SPNO), Peter Grey (Berry Street), Frances Menendez (SPNO), Catherine Lyons-Crew (The Benevolent Society), Marina Tsiarakas (Brotherhood of St Laurence) and Julia Holmes (Brotherhood of St Laurence). Photo: Gary Gross

Over the last 10 years Saver Plus has improved the financial wellbeing of tens of thousands of Australians (Russell et al., 2005, 2006, 2008, 2011). Saver Plus, the first matched savings program in Australia and the largest and longest-running program of its kind in the world, was developed by ANZ and the Brotherhood of St Laurence in 2003 with the first cohort graduating in 2004. It is currently in its fifth 'phase': four years due to conclude in June 2015. Since 2009 Saver Plus has had strong support from the Australian Government, allowing the program to extend its footprint to 60 sites nationally.

This research report provides an assessment of the outcomes and longer-term impacts of Saver Plus over the last 10 years. Estimations of the monetary value of Saver Plus to individuals and society are provided with particular focus on the impact of Saver Plus on the value of investment in education and also the value of increasing participants' abilities to save regularly.

The report gives an update on matched savings programs internationally, how they have evolved and expanded, current target groups and innovative features of delivery and funding.

Results of the outcomes for Saver Plus Phase 5 participants (up to 30 June 2014) are included in the evaluation of the 10 year life-span of Saver Plus with full details of the results for Phase 5 provided in a companion report. The outcomes demonstrate changes in participants' financial capabilities along with changes to a range of social and wellbeing measures.

2.0 UPDATE ON INTERNATIONAL MATCHED SAVINGS PROGRAMS

2.1 THE INITIAL CONCEPT

Matched savings programs were initiated in the early 1990s following the seminal work of Michael Sherraden's *Assets and the Poor* (1991). Sherraden proposed that social policies aimed at assisting low-income people should include asset building programs in addition to income-based assistance. He posited that the opportunity to accumulate assets and wealth should be afforded to all, not just middle-to high-income earners. In most developed countries including Australia, the welfare system⁵ comprises two trajectories: one for low-income households characterised by means-tested programs that discourages asset accumulation and savings and another for higher-income families who are offered tax incentives for saving and investment, home-ownership grants and other banking and policy structures that promote wealth creation. These different paths result in very different outcomes for families, especially for children (Lewis et al., 2014). Children who have access to savings and assets while growing up have better education outcomes (Elliott et al., 2011) and futures with expanded development opportunities (Lewis et al., 2014).

Sherraden believed that if low-income households were given the appropriate structures and incentives, they would and could save and accumulate assets (1991). The concept of a savings program targeted towards low-income individuals and families was developed. Individual Development Accounts (IDAs) were trialled and evaluated through a major research project: the American Dream Demonstration (1997 - 2003). IDAs included matched savings, access to financial education and support and identification of an asset-type goal such as education, home ownership or enterprise development. The results demonstrated that a program that incentivised and supported savings worked for low-income individuals and families, allowing them to accumulate assets, save money and build financial capabilities.

Most of the US programs include participation periods of between two and three years (compared to 10 months for Saver Plus). These longer periods of time are required because the savings goals are commonly home ownership or enterprise development, requiring large amounts of savings and long-term investment. US program withdrawal rates are higher than that of Saver Plus, with an average of about 28% compared to 12% for Saver Plus. Having shorter participation periods and more modest goals, for example purchasing an education product such as a laptop or tuition fees, perhaps contributes to a higher successful completion rate.

Many US programs also incorporate the incentive of credit opportunities when participants complete the program. These programs include helping participants create a healthy credit rating (Birkenmaier et al., 2014). Research that examined the effects of IDA participation on credit ratings found that participants who completed within two years increased their credit scores the most (Birkenmaier et al., 2014).

⁵ The Australian welfare provisions are currently being reformed and the interim report 'A new system for better employment and social outcomes' (Department of Social Services, 2014) provides the details for support offered to strengthen the capacity of individuals and families.

Saver Plus was first delivered in 2004 and still stands as the longest running and largest single matched savings program in the world.

2.2 MATCHED SAVINGS PROGRAMS GLOBALLY

Since the 1990s, there have been more than 1,000 programs in the USA with an estimated 85,000 participants (Birkenmaier, 2014). The concept spread internationally, with Canada having a government-supported matched savings program (Canada Education Savings Grant) and the UK government supporting a national matched savings program 'Saving Gateway' beginning in 2002 and a Child Trust Fund which was implemented in 2006 (both were subsequently terminated in 2010). Saver Plus was first delivered in 2004 and still stands as the longest running and largest single matched savings program in the world.

The USA IDA programs, while large in number, are conducted by individual community organisations and have relatively small numbers of participants. This is due to the nature of funding for programs in the USA under the Assets for Independence Act (1998), which allocates government funding to individual organisations to conduct matched savings programs within their communities.

Outside of North America, the UK and Australia, the matched savings movement expanded to South America, Africa, Asia and to a limited extent to Europe. Programs in Africa are run in Ghana, Kenya, Uganda and Mozambique, helping some of the world's poorest populations. Some of the programs are aimed at helping farmers while others help families accumulate small amounts of savings to cover emergencies or to educate their children (Lombe et al., 2014).

In Asia and South America, many of the programs are Child Savings Accounts (or sometimes referred to as Child Development Accounts) with a focus on education as the savings goal, recognising the economic and social value of education for the child, their family and the wider community. Introducing awareness of savings at an early age may also help to stem the effects of intergenerational poverty particularly entrenched in developing countries.

2.0 UPDATE ON INTERNATIONAL MATCHED SAVINGS PROGRAMS

2.3 TARGETED MATCHED SAVINGS PROGRAMS

While originally IDAs were developed for adult participants, the concept soon evolved to address specific target groups, communities or goals. The most developed and popular are Child Savings Accounts that primarily focus on investing in education for children. The extensive benefits arising from increased education opportunities convince policy makers world-wide that programs that support education for children are worth investing in. Singapore, Mexico and Canada also have IDA type programs targeted towards children's education.

Other savings programs target saving for retirement, agricultural initiatives, and in helping rural women, indigenous populations and the resettling of refugees. In Taiwan a 'Family Development Account' program targeted sole parent families receiving government welfare with secondary school children (New America, 2009).

Child Savings Accounts

Michael Sherraden's vision of asset building for all also involved enabling parents to give children the opportunity to accumulate savings and assets. In 2007 the project SEED (Savings for Education, Enterprise and Down payment) commenced and is still running. The program involves a savings account opened for a child at birth with an initial deposit by the government or sponsoring organisation of \$500 or up to \$1,000. The initial deposit is used to encourage parents and relatives to contribute to the child's account. The account matures when the child reaches 18, providing a 'nest egg' to use for education, a down payment on a home or investment, or for an enterprise development initiative. These programs have demonstrated significant benefits for the child and the family and, similar to IDAs, the many social and psychological benefits were just as prevalent as the savings (Huang, Sherraden & Purnell, 2014). Results from the trial show that having a SEED account contributes to a more positive outlook for the child's future. Sherraden (2014) states that 'it appears to be the account and holding assets that matter, even if a mother does not have her own money to contribute at the moment' (<http://news.wustl.edu/news/Pages/26423.aspx>).

Currently there is significant focus on and efforts towards expanding child savings accounts. The combination of creating pathways for children to accumulate savings and have access to better education opportunities is becoming increasingly promoted by policy makers in the US.

'There is no better investment that families can make to break the cycle of poverty than to invest in the talents and aspirations of their children' (CFED, 2014, p. 40)

Child Savings Accounts are almost becoming more widespread than the original IDA concept targeted towards adults. Child savings accounts exist in many countries including Uganda, Hungary, Hong Kong, South Korea, Puerto Rico, Papua New Guinea and Sri Lanka. The primary aim is to reduce intergenerational poverty by introducing the concept of savings to children and equipping them early with financial capabilities (New America, 2009).

In the US, Child Savings Accounts which supplement or accompany the US government's 529 College accounts, have been shown to generate long-term impacts on low-income families. The results indicate that recipients of a child savings account often become the first in their family to go to college and become more financially capable than their parents – helping to stem the cycle of poverty within communities (CFED, 2014).



Matthew Taylor and Cheryl Allen-Ankins (Program Managers at The Smith Family) with Claire Lindsay-Johns (National Manager, SPNO). Photo: Gary Gross

2.4 INNOVATIONS IN PROGRAM DESIGN AND FUNDING

There appears to have been little change to the overall design of matched savings programs since inception. The original elements of incentive, support and financial education have proven to be a successful mix in promoting the wellbeing of low-income individuals and families. There have however been modifications, with the primary areas of innovation involving the use of new media to source funding and changes to delivery processes influenced by lessons from the field of behavioural economics. There have also been significant increases in understanding the characteristics of individuals who choose to participate in matched savings programs, those who are more likely to complete, factors that influence retention, and of course the outcomes from the programs. These have all been well-documented over the last 20 years.

Lessons from the field of behavioural economics have helped to refine the delivery of matched savings programs. In one example, to reduce the rate of withdrawals, participants 'receive' the matched funds on paper upon enrolling with the proviso they would lose the matched money if they withdrew before completing the program. This creates a loss aversion situation because participants feel they already have the matched funds – and would rather not risk

losing them by withdrawing from the program (Manturuk et al., 2012). Loss aversion tells us that people are more likely to risk losing a future gain than to risk losing something they already have.

Behavioural economics has also taught us that appropriate and timely 'nudges' can increase the success of debt repayments or savings deposits (Karlán et al., 2012). A number of studies across a range of disciplines confirm the value of 'nudging' to encourage desired behaviours - i.e. either removing barriers to desired behaviours or changing the opportunity structures to enable better choices (Thaler and Sunstein, 2008).

Saver Plus has also experienced improvement in maintaining regularity and consistency of saving during and post completion by encouraging participants to utilise automated banking processes. By removing the need to physically take deposits to the bank, the likelihood of the saving process continuing is enhanced. Participants report that once the automatic debit was put in place, they 'forget' about the saving process – they don't miss the money if they don't see it. Behavioural economics tells us that if people have to make a decision and take action to 'opt out' of a process or behaviour, it is more likely the status quo will prevail, resulting in positive financial outcomes.

2.0 UPDATE ON INTERNATIONAL MATCHED SAVINGS PROGRAMS

Providing a monetary incentive to save is a core element of matched savings programs and is a valuable 'hook' in attracting individuals to participate in the program. However, internationally there is large range matching amounts offered in programs - from \$0.50 to \$7 per dollar saved by the participant.

Program designers are able to trial and test varied amounts of matching to arrive at a ratio that is most effective in terms of participant outcomes and program sustainability. In Saver Plus, matching amounts have progressed over the phases, beginning with \$2 for every dollar saved by the participant, up to \$2000. Based on various program factors and outcomes from the initial phases, this was altered to the current matching offer of \$1 for every dollar saved, up to \$500. Although the total amounts saved by participants while in the program is less with a lower matched amount, the success rate of the program and financial capability outcomes have remained consistently high. The savings term was also adjusted, with participants in the original Saver Plus phase choosing a savings period of between 10 and 18 months. This was standardised to a uniform 10 month period, with no resulting disincentive or compromise on program outcomes.

While new media has provided a vehicle for innovations in the field of micro-lending with online ventures such as Kiva.org, attempts have been made to create online matched savings programs. Matchsavings.org was perhaps the first online facility created by the World Council of Credit Unions (WOCCU) in 2009 that gave donors the capability of supporting savings efforts. Donors had the opportunity to create an online profile, share reasons for giving and donate matching funds to low-income individuals who are saving, perhaps for the first time with a bank. The site also gave online tips and tools for saving. Unfortunately this facility closed after 2 years.

An organisation '1:1 funding' is a similar online venture currently operating that focuses on providing matched funds for college education. This National Match Fund does not target a specific program or community but is a pool of funds that provides matched savings and supports innovation and expansion of child and youth college savings plans across the US.

Along the same lines, crowdfunding is being discussed within the asset-building community as an innovation to promote asset development. Although in early stages of ideation, these new concepts should be included in the mix of potential sources of investment for matched savings programs.

One of the most recent developments in the US to strengthen financial capabilities of low-income individuals is the establishment of the 'Financial Solutions Lab', funded predominantly by JP Morgan. The lab brings together entrepreneurial capacity, new technology and cross-sector support to identify the most effective ways in which individuals can manage money, increase savings and build assets. This holistic approach to addressing complex problems is also gaining ground across Europe. Referred to as the 'Living Lab' approach to addressing cross-sector problems, it places the user at the centre of designing solutions, incorporates real-world contexts and involves all stakeholders in the process.

As the options of crowdfunding, living labs and direct investment are becoming more widespread across the world to successfully support a range of social initiatives and causes, they could help to widen the reach of Saver Plus, provide scope for continued innovation and ensure longer-term viability. The Saver Plus partners might consider how these funding and development options might work for the program in the future.



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TESTIMONIAL

I was not very confident that I could maintain a savings plan for 10 months. The MoneyMinded workshops I attended have turned out to be invaluable. Being at the workshops, where I thought I would just learn how to do a budget, turned out to be exciting, and now life changing. I am still in contact with some other workshopppers, and on the dark days we all muddle through together.

I made it to the end of the program, made it through both my children's birthdays, and Christmas, and paid school expenses. My children are now 7 and 13 and we all save and budget individually, and as a family. Christmas 2015 will be a trip to LA for ten days.

I wouldn't have been able to achieve this without this program. It has changed my life.”

**Participant (Southern Tasmania)
Saver Plus Delivery: The Smith Family**

3.0 SOCIAL AND ECONOMIC OUTCOMES OF SAVER PLUS

Between 2004 and 2014, 23,274 Australians were enrolled in Saver Plus. From the modest beginnings of Phase 1, in which 268 people joined Saver Plus across three pilot sites, the program has expanded across Australia and is currently serving 60 communities. Nearly 15,000 people (as at July 2014) have completed the program, saving over \$13.5 million. Table 1 shows the summary of participant numbers and amounts saved over the past decade.

At this 10 year milestone it is timely to put together a picture of Saver Plus over the last decade, capturing the extent and also the outcomes for participants and the community, and to make an assessment about the value of Saver Plus to individuals and stakeholders.

The establishment of the Saver Plus National Office (SPNO) has ensured consistency in implementation and quality of delivery. On-going evaluation of Saver Plus has also enabled outcomes to be demonstrated to stakeholders over an extended period of time, reinforcing the value of their support.

TABLE 1:
Saver Plus summary statistics

PHASE	Phase 1 (2004)	Phase 2 (2005)	Phase 3 (2006 - 2009)	Phase 4 (2009 - 2011) + Phase 5 (2011-2014)*	TOTAL
Participants recruited	268	408	4,110	18,488	23,274
Saver Plus completions	248	388	2,668	11,631	14,934
Participants who achieved or exceeded savings goal	248	388	3,399	10,631	14,424
Participants who withdrew from Saver Plus	20	44	588	2,372	3,024
Average amount saved per participant	\$1,198	\$1,214	\$744	\$ 529	\$586**
Participants who exceeded their savings goal	93	147	1,623		
Total amount saved	\$321,064	\$495,312	\$3,057,186	\$9,769,958	\$13,643,520
ANZ total matching funds paid	\$642,128	\$688,579	\$2,760,623	\$6,146,386	\$10,237,716

* To date - Phase 5 is still underway, due to conclude in June 2015

** Weighted average with the weights being total recruits each phase.



Photo: Kit Haselden / Brotherhood of St Laurence

3.1 THE IMPORTANCE OF SAVINGS AND ASSETS

Why do savings and assets matter? The obvious role of household savings is to protect against economic shocks and/or to enable purchasing a desired goal. Savings can be accrued over the short-term (e.g. a holiday or household item) or the longer-term (e.g. retirement or a major asset purchase such as a home). Michael Sherraden's theory of assets suggests that building savings and assets has far greater implications for low-income households than just having the actual savings. These other outcomes include:

- 1) Development of personal efficacy
- 2) Orientation toward the future
- 3) Household stability
- 4) Social wellbeing
- 5) Intergenerational wealth.

'Income helps families get by; savings and investments help them get ahead' (CFED, 2014, p.40).

Sherraden makes the distinction between the roles of income and assets in the financial health of a household: 'while income feeds people's stomachs – assets change their heads' (Sherraden 1991, p.6). Further research has determined the important role assets and savings have on the family's ability to cope with financial demands and life stressors (Rothwell and Han, 2010). Savings and assets provide a buffering effect and lessen the likelihood of families falling into hardship even if there is a temporary loss of income or crisis.

Macroeconomic benefits of saving

Savings are of macroeconomic benefit to society as well as individual households. National saving (the sum of saving by households, businesses, and government) is used to finance private and public investment and is a crucial ingredient in raising future living standards. Australian private household savings have been increasing since around 2005 (RBA, 2014), but public saving has declined as net public sector debt has grown. Any program initiated in the private sector that can increase personal saving will contribute positively to national saving. Saver Plus does this in two ways, by encouraging household saving and by reducing welfare dependency.

3.0 SOCIAL AND ECONOMIC OUTCOMES OF SAVER PLUS

Our estimate of the total amount saved by all Saver Plus participants is over \$13.5 million, with a corresponding payment of matched funds by ANZ of over \$10 million.

Microeconomic benefits of savings

Our estimate of the total amount saved by all Saver Plus participants is over \$13.5 million, with a corresponding payment of matched funds by ANZ of over \$10 million. While these sums are small in comparison to the total amount saved across the entire Australian economy, their value for those involved (and their communities) is far greater. Just as Saver Plus has grown over the last decade, it is likely that these benefits will also grow in the future.

For example:

- > Saver Plus has been targeted towards saving for education, which is the greatest contributor to economic and social mobility.
- > Education leads to reduced welfare dependency, resulting in increased public sector saving. With an aging population, we know that the public sector will be less able to provide for people's retirement than previously. Any program that is able to assist people to plan for the future will have benefits for participating individuals as well as public savings.
- > Saver Plus can create a culture of saving not just among the participants, but also their entire families and their communities, which can have significant increasing and ongoing benefits.
- > A small amount of savings will enable individuals to better deal with emergency situations, thereby reducing the call on various public and private sector agencies that may be required to provide assistance.
- > Saving is the first step toward investing, which if done conservatively can greatly assist individuals' long-term financial security.
- > All saving generates income in the form of interest earned, resulting in taxation revenue for the public sector.

3.2 THE IMPACT OF SAVER PLUS

Our 10 years of research has shown solid and consistent results confirming a range of positive social and economic outcomes for participants of Saver Plus. The 10 years of evidence has also taught us a lot about the lives of low-income Australians, the barriers they face, and the struggle to make ends meet while wanting to provide the best for their families. Saver Plus cohorts by design are not among the most disadvantaged – they aren't homeless or relying completely on Government benefits. These participants are characterised as living financially week to week and having no 'financial slack' (Barr, 2012). Financial slack gives households with more resources a greater level of resilience to cope in financially stressful times. Having no 'slack' can mean that relatively small financial hurdles can have disproportionate long-term effects for those already living a precarious existence (Barr, 2012).

On-going financial strain or frequent worry about money over an extended period of time can have significant detrimental impacts on physical and emotional wellbeing that can be just as severe as a major negative life event (Thoits, 2010). Recent research also suggests that the scarcity of money consumes valuable cognitive 'bandwidth', impeding an individual's ability to make decisions and think clearly (Mani et al., 2013). We have seen within the Saver Plus cohorts the impact of the interconnectedness of financial, social and health variables on their lives, along with more systemic and cultural factors that shape their existence. Alleviating financial strain of a low-income family can have positive impacts on the other domains of their lives (Thoits, 2010).

Over 10 years, evaluations of each phase of Saver Plus have comprehensively documented the outcomes. The range of indicators used in evaluations has increased over time incorporating the expansion of international research and knowledge about saving and financial capabilities. In Phase 1 our primary goal was to measure the rate of success of participants reaching a savings goal by the end of the program. However it was in this very first Phase that we noticed additional benefits through qualitative research. A participant comment from Phase 1 in 2004 encapsulates the common experience had by many participants:

It was such a liberating experience. There was a sense of accomplishment and control, which is a very positive feeling, Thank you (participant, Phase 1)

From this comment we can see the evidence of Saver Plus building self-efficacy and transforming minds and attitudes. This participant implied a sense of feeling trapped by the constraints of life circumstances. Saver Plus presented opportunities that did not previously seem available. Similar evidence was found in every subsequent phase of Saver Plus: reduced stress in the household, increased self-efficacy, development of a range of financial capabilities which enabled participants to save, development of long-term savings habits, increased spending on education and increased financial resilience.

While Saver Plus has been successful in achieving its key objectives regarding saving and improved financial management behaviour, it also has induced a range of secondary benefits that are also important to building financial resilience and wellbeing. For example, it was not a specific aim to encourage participants to take out insurance cover. However, through learning about the benefits of protecting assets in the education workshops, there have been a number of participants who have done this. Similarly, increased connection with the community has been an unexpected but positive benefit for participants. A summary of the outcomes for completed Saver Plus participants from 2004-2014 is given in Table 2.

3.0 SOCIAL AND ECONOMIC OUTCOMES OF SAVER PLUS

Our estimate of the numbers of Saver Plus participants benefitting is an under-representation as we have only looked at those who completed the program. Our research shows that there are also substantial benefits for non-completers.

TABLE 2

Summary of social and economic outcomes (2004 – 2014)

COMPLETED PARTICIPANTS		14,934
	Improved Financial capabilities (skills & knowledge)	Participant %
Skills	Better able to plan ahead	87.1
	Better able to make ends meet	78.5
	Shop around more when buying products and services	67.7
Knowledge	More aware of where to get help with financial decision-making	87.6
	Increased confidence in dealing with banks	87.6
	Increased knowledge of financial products and services	83.0
Ability to Save	Saving same amount or more since Saver Plus	87.0
	Encouraged children and family members to save	84.5
	Saving a set amount regularly	61.0
Outcomes contributing to financial resilience	Increased self-esteem	92.8
	Improved education experience and opportunities	89.0
	Better able to deal with financial problems	86.4
	More control over finances	85.0
	Better equipped to deal with unexpected expenses	80.9
	Increased confidence	71.1
	Increased savings and assets	70.0
Secondary outcomes	Reduced stress about the future	67.7
	Increased social networks	82.5
	Feel more connected with community	57.6
	Continued investment in education	52.0
	Taken out insurance policies	27.0
	Increased superannuation contributions	18.5
	Reduced reliance on Government benefits*	48.0
	Started a new job*	39.0
	Feel more confident in applying for work*	35.0
	Increased income*	40.7

*new indicators included in Phase 5 evaluation (Russel and Kutin, 2015).



Saver Plus management meeting at Brotherhood of St Laurence.
Photo: Gary Gross

3.3 THE ROLE OF SAVER PLUS IN INCREASING FINANCIAL RESILIENCE

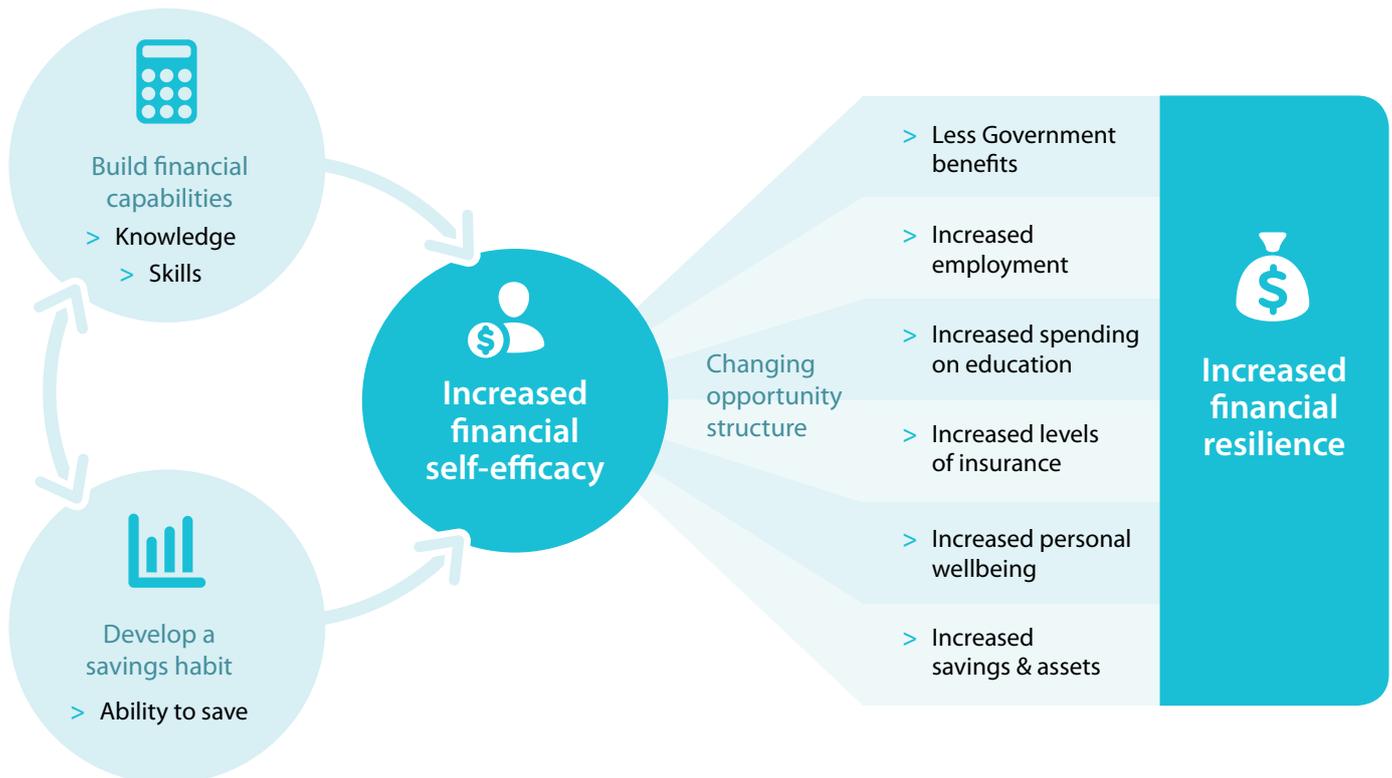
A decade on, a clearer picture has emerged of how the elements of Saver Plus work together to improve the lives of low-income Australians and build financial resilience. Figure 1 illustrates how Saver Plus, through providing financial education, supported practice and rewards, builds financial capabilities and a savings habit. These factors increase financial self-efficacy leading to a change in opportunity structure – that is, the set of opportunities available to the participant that were not there, obscured or unattainable previously (Grinstein-Weiss et al., 2013). In feeling more confident and in control of their lives, participants accrue motivation and confidence to pursue employment, increase income and hence reduce dependence on welfare and build assets and savings – all contributing to greater financial resilience (Russell and Kutin, 2015).

Being a matched savings program, the emphasis is on developing a savings habit. The program is based upon the evidence that this is best achieved through increased financial knowledge and skills. Once knowledge and skills are developed along with the ability to save, a greater level of financial self-efficacy is achieved equipping participants with some of the personal resources needed to cope with unexpected events. Financial self-efficacy can be defined as ‘having the confidence in one’s ability to deal with a situation without being overwhelmed’ (Hira, 2010, p15). It involves having personal mastery, self-confidence, motivation and, when faced with problems or challenges, a feeling of being able to overcome them. This is a crucial outcome and has longer-term effects on the lives of participants well after their graduation from Saver Plus. No-one is spared from negative life events, unexpected expenses or difficult financial decisions. However, the outcome often depends upon how effectively these situations are dealt with.

3.0 SOCIAL AND ECONOMIC OUTCOMES OF SAVER PLUS

FIGURE 1

The role of Saver Plus in building financial resilience



Greater levels of financial self-efficacy also result in additional positive economic and social outcomes for Saver Plus participants. Participants generally gain more employment, earn more income, reduce reliance on Government benefits, experience improved personal and family wellbeing, increase their investment in education, and increase their levels of savings and assets. These outcomes are key indicators of financial resilience.

The role of supported practice is also a critical factor in improving the wellbeing of Saver Plus participants. Recent research indicates that the level of involvement or active participation an individual has in financial counselling activities is correlated with outcomes that improve wellbeing (Mende and van Doorn, 2014). If the program encourages 'coproduction' – i.e. that it facilitates collaborative behaviour of an individual in the program – the more likely financial and overall wellbeing outcomes will result (Mende and van Doorn, 2014). The support provided within Saver Plus such as the education workshops, the relationship between the community provider and the participant and others in the program fosters coproduction which in turn promotes wellbeing.

3.4 THE VALUE OF SAVER PLUS

Measuring the amounts saved by participants during the program and predicting on-going value of savings post-program is fairly straightforward. However, the measurement of psychosocial outcomes is more difficult. We know that long-term financial strain is strongly correlated with poor physical and mental health (Butterworth et al., 2012; Thoits, 2010) which is costly to individuals and society. Over the last 10 years, we have observed that Saver Plus alleviates financial strain experienced by individuals and families by increasing their financial capability and savings. Evidence from participants also shows that in some cases health levels improved along with reduced stress and worry. There are statistically significant improvements to the personal wellbeing of Saver Plus participants.

For this report we have chosen two outcomes of Saver Plus that we can confidently allocate value to for the purpose of illustrating Saver Plus' wider contribution to society – firstly, the investment in education and secondly, the ability to save.

Contribution of Saver Plus to investment in education (2009-2014)

Projections of the future education benefits can be calculated based on evaluation results that indicate 87%⁶ of Saver Plus participants continue to save the same amount or more after completing the program and 52% of participants report that they continue to spend on education post-Saver Plus.

In 2009 the Australian Government provided financial support for Saver Plus and this significantly increased both the scope and coverage of the program. Between 2009 and 2014⁷ (Phases 4 and 5 of Saver Plus) \$34.3 million in funds had been provided by the public sector and when combined with ANZ's ongoing commitment of \$8.8 million and \$2.4 million in-kind (see Table 3), this enabled more than 18,000 individuals to participate over this period.

It is only in Phases 4 and 5 of Saver Plus that the Government has been involved, and it is for this reason this section aims to assess the return on public sector involvement.

TABLE 3
ANZ & Government Funding of Saver Plus Phases 4 and 5 (as at 30 June 2014).

FUNDING		
	Years	\$
Govt funding	2009-2011	\$ 14,800,000
	2011-2014	\$ 19,500,000
TOTAL Govt funding		\$ 34,300,000
ANZ funding	2009-2014	\$ 2,700,000
ANZ matching	2009-2014	\$ 6,100,000
ANZ in-kind	2009-2014	\$ 2,415,000
TOTAL ANZ funding		\$ 11,215,000

⁶ In the latest evaluation of Phase 5, this figure has increased to 94%. We use the more conservative figure of 87%.

⁷ Phase 5 includes up until June 2015 – we use the proportion of Government investment up until June 2014.

3.0 SOCIAL AND ECONOMIC OUTCOMES OF SAVER PLUS

Tables 4, 5 and 6 tally the effects of the program from 2009 to 2014, as well as provide projections until 2017. These figures do not include the final year of Phase 5, and show that even if Saver Plus did not continue beyond July 2014, it would have a significant ongoing legacy of increased spending on education and ongoing savings.

TABLE 4
Saver Plus impact 2009-2017

	PHASES FOUR + FIVE	PROJECTIONS				Total
	2009-2014	2015	2016	2017		
Total participants recruited	18,488	-	-	-	18,488	
Completed Saver Plus	11,631	3,910	-	-	15,541	
Withdrew from Saver Plus	2,372	575	-	-	2,947	
Current participants	4,485	-	-	-	4,485	
Average amount saved	\$528.45	-	-	-	-	
Total Savings by those completing by 2014	\$9,769,958	\$ 5,347,370	\$4,652,212	\$ 4,047,424	\$ 23,816,964	
Education spending by those completing by 2014	\$9,769,958	\$ 3,196,129	\$1,661,987	\$ 864,233	\$ 15,492,308	
Total savings by those completing 2015	-	\$ 2,066,016	\$1,797,434	\$1,563,767	\$5,427,217	
Education spending by those completing by 2015	-	\$ 2,066,016	\$1,074,328	\$ 558,651	\$3,698,995	
Total Savings	\$9,769,958	\$ 7,413,386	\$6,449,646	\$ 5,611,192	\$ 29,244,181	
Total education spending	\$ 9,769,958	\$5,262,145	\$2,736,315	\$ 1,422,884	\$ 19,191,303	
ANZ total matching paid for education	\$ 6,146,386	\$1,299,753	-	-	\$ 7,446,139	
Total private sector funds devoted to education*	\$15,916,344	\$6,561,898	\$2,736,315	\$1,422,884	\$ 26,637,441	

*Includes ANZ contribution (matching) plus individual (private) savings by participants



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TESTIMONIAL

Since the 10 month program ended I went from savings deposits totalling \$50 a month to \$180 per month. With our proof of routine and growing savings history we have been successful in applying for a home loan and we are in the process of having plans drawn up for a new house. We are FINALLY escaping the rental roundabout we've been in for nearly 7 years!

We're continuing to add to our savings every week – which will be our spending money when we go on holiday at Christmas to see family.

In only 6 months since completing the program our lives have done a full 180 degrees! I'm so glad to have done the program. This is potentially life changing stuff. It has affected my three children's lives, and all future generations of our family."

**Participant (Mirrabooka, WA)
Saver Plus Delivery: The Smith Family**

3.0 SOCIAL AND ECONOMIC OUTCOMES OF SAVER PLUS

Table 4 shows that up to the end of July 2014, Saver Plus Phases 4 and 5 have resulted in almost \$16 million of private sector funds being spent on education for the 11,631 participants that had completed the program at that time. This comprised of almost \$10 million in the form of savings from the individuals themselves and over \$6 million of matched savings funds from ANZ. However, we believe that these individuals will continue to save and spend on education in the future (based on the proportions presented in Table 6), and we have made projections based on this until 2017.

Table 5 presents the savings and education spending of Saver Plus participants that completed the program between 2009 and 2014, as well for the 4,485 individuals that are currently enrolled. It then makes projections for both of these groups.

Table 6 presents the proportions that are used to make the projections to 2017.

TABLE 5
Expected participation and savings in 2015

Current participants (as at July 2014)	4,485
Estimated withdrawals	575
Estimated completions in 2015	3,910
Average amount saved per participant	\$528.45
Estimated savings in 2015	\$2,066,016
Estimated ANZ matching funds to be paid in 2015	\$1,299,753

TABLE 6
Percentages (%) used for projections to 2017

Still saving same amount or more 12 months on	87.0%
Still saving toward education costs	52.0%
Withdrawn as a proportion of recruited	12.8%

In addition to the Phase 4 and 5 participants that had completed by July 2014, there are another 4,485 people currently enrolled that are expected to complete the program from July 2014 onward. Therefore the expected savings and education spending of these people needs to be included. Table 5 shows that with the expected attrition⁸ we anticipate that 3,910 of these people will complete the financial education provided in the program, achieve their saving goals and receive the ANZ matched funds. Therefore, they are likely to save over \$2 million and receive around \$1.2 million from ANZ, enabling them to spend over \$3 million on their own or their children's education. Using the proportions in Table 6 we are able to project the savings and education spending of these individuals until 2017. Next, the figures for the individuals that are expected to complete in 2015 are added to those that have already finished the program to give final totals that are presented in the bottom four rows of Table 4.

These data show that Government involvement in Saver Plus (Phases 4 and 5) has resulted in, or is expected to facilitate, close to \$30 million in total savings by these people living on low incomes, and an extra \$27 million of private sector funds being devoted to their education. Clearly this additional private sector spending on education is only one of the many benefits from Saver Plus and the Government's \$34.3 million investment, but it is possibly the most tangible and as such represents a robust estimation of the monetary value of the investment in Saver Plus.

It may be possible to put these education figures into the context of Social Return on Investment (SRoI), however we believe that this is not appropriate as we know that private spending on education is only one of the many social benefits from the program. For example, our recent survey of Phase 5 Saver Plus graduates shows that:

- > 41% decreased their household debt and only 15% of participants indicated their household debt had increased. In other words, for 85% of Saver Plus graduates their household debt either decreased or stayed the same.
- > 41% of those completing Saver Plus reported that their household income has increased, 34% stated that it stayed the same, and 23% said that it had reduced (2% did not know). That is, for 75% of these people their household income either increased or stayed the same.
- > In terms of the amount of Government benefits received by participants, 48% reported that the amount of Government benefits they receive since completing Saver Plus has decreased, for 39% it stayed the same and for only 13% their payments have increased.
- > 39% of participants had started a new job since completing Saver Plus, 37% had increased their working hours, and 35% felt more confident in finding paid work. That is, 76% had either started a new job or had increased their hours of paid work.

Clearly, a more detailed analysis of these effects of Saver Plus (involving finding proxy valuations), would reveal a significantly larger hard return on the Government's investment in Saver Plus.

⁸ See Table 6 for the expected attrition rate.

3.0 SOCIAL AND ECONOMIC OUTCOMES OF SAVER PLUS

3.5 THE VALUE OF INCREASING PARTICIPANTS' ABILITY TO SAVE REGULARLY

While it was not in the scope of this report to present hard Social Return on Investment (SRoI) figures for all the outcomes of Saver Plus, we were able to calculate a return on investment for the primary outcome expected from participation in Saver Plus; the ability to save. This aim incorporates many of the subsequent social outcomes that arise from developing a saving habit.

The Global Value Exchange presents results from a variety of SRoI evaluations that have been done around the world. The SRoI Network and author Helen Campbell (2014) has an evaluation showing that 'an ability to save regularly' (value to an individual aged 25-49 and of unknown geographical location in the UK) is worth £2,054 (\$3,748 AUD) per person per year. This valuation represents the value to an individual of being able to save their money on a regular basis.

Given that the target group of Saver Plus is very similar to the cohort used in Campbell's analysis, and the comparability of the UK and Australia socially and economically we believe that this valuation can be legitimately applied to the graduates of Saver Plus.

Assuming that prior to Saver Plus the individuals were unable to save regularly, and that completing the program is evidence that they have developed a saving habit, this valuation can now be applied to the 11,631 people who completed the program between 2009 and 2011.

Table 7 presents an estimate of the Social Return on Investment for every dollar of Government funding from 2009 to 2014 to be \$3.98.

TABLE 7
The social value of 'Ability to Save Regularly'

	PROJECTIONS				
	2009-2014	2014	2015	2016	2017
Total Govt Funding (2009 to 2014)	\$ 34,300,000	-	-	-	-
Value p.a. 'Ability to Save Regularly'	\$ 3,748	-	-	-	-
Completed Saver Plus 2009 to 2014	11,631	-	-	-	-
Saving Regularly 12 months on	87%	11,631	10,119	8,804	7,659
Total Value 'Ability to Save Regularly'	-	\$ 43,596,943	\$ 37,929,340	\$ 32,998,526	\$ 28,708,717
Commonwealth Government 10 year bond yield	3.705%	-	-	-	-
Present Value 'Ability to Save Regularly'	-	\$43,596,943	\$36,574,264	\$30,682,811	\$25,740,365
Total Net Present Value 'Ability to Save Regularly'	\$ 136,594,382	-	-	-	-
SRoI for every dollar of Government funding:	\$ 3.98	-	-	-	-

(see Appendix 1 for assumptions made for the figures in this table)

4.0 CONCLUSION

Knowledge and skill development, supported practice and appropriate rewards are a successful mix of program elements that have brought about a wider range of outcomes for participants than initially intended.

Over the last 10 years, Saver Plus has increased the financial resilience of over 20,000 Australians. Knowledge and skill development, supported practice and appropriate rewards are a successful mix of program elements that have brought about a wider range of outcomes for participants than initially intended.

The decade-long success of Saver Plus has unequivocally demonstrated the value of savings to the lives of participants. We have captured evidence of the whole spectrum of benefits – from having an economic buffer against an unexpected expense through to the transformation of lives. Participants have experienced significant changes in their attitudes towards the future; happiness from being able to not only better provide for their children's physical needs but also in being able to pass on healthy financial habits, as well as a feeling that they have regained control over their lives rather than having their financial situation control them.

Having education as the savings goal for the participants in the program has been a large contributing factor to the value of the program to individuals and society. It has increased access to education for many participants and enhanced the quality of education for children and adults. Positive experiences of education – for children especially – have significant long-term benefits and increases development opportunities throughout their lives.

The global trend to increase investment in programs specifically targeted towards children's education is evident of the value of these initiatives. The outcomes are important not only for children but for their families and society. Australia is well-placed to take advantage of the international developments in this area.

The model has retained the strength of outcomes as it was scaled up from 3 sites to 60. Ensuring consistency of delivery is a challenge for the expansion of any program, however the policies and practices set in place for Saver Plus have ensured that all participants are receiving a positive experience in the program. The ratings of satisfaction with the program are just as high as they were in Phase 1. The most recent evaluation of Phase 5 included in a companion report confirms the consistency and robustness of the findings over the previous 10 years.

Assumptions in Table 7:

- > The valuation begins in 2014 and projections are until 2017 based on the assumption that 87% of participants continue to save the same amount or more 12 months after completing the program.
- > Unlike our evaluation of education spending, we did not add the complication of including those currently enrolled in Saver Plus that are due to complete by the end of 2015.
- > No attempt was made to value savings that have occurred prior to 2014 as a result of Phases 4 and 5 of Saver Plus graduates that completed earlier.
- > The 10 year Government bond yield sourced from the RBA was used for the Net Present Value (NPV) calculations (<http://www.rba.gov.au/statistics/tables/index.html#interest-rates>) accessed 22 Sept. 2014.
- > Table 7 only values the 'ability to save regularly' benefits of Saver Plus; that is it does not attempt to value any other social benefits from the program mentioned previously.

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