

Financial life in a new setting



Last year, researchers from the Brotherhood of St Laurence conducted research with Afghan and Chin and Karen Burmese community members about their experiences of adjusting to financial life in the new setting of Melbourne.

We asked people about:

1. how social and cultural practices influence the process of adjustment in Australia, with a focus on finances
2. how Afghan and Burmese (Chin and Karen) groups settling in Melbourne experience their transition into the Australian financial system
3. good ideas to help plan financial information and education for groups with different languages and cultures in Australia.

Some 104 people shared their ideas and advice with us in focus-group discussions and interviews conducted in English, Dari, Karen, Chin Haka and Burmese.

The findings of this research and answers to some of the finance-related questions are presented in the following pages. If you want a copy of the full research report, please contact **Victoria Johnson on (03) 94832480** or email **vjohnson@bsl.org.au**.



Brotherhood
of St Laurence

Working for an Australia free of poverty

Building better lives since 1930



Where to get help for finance-related problems

- www.moneysmart.gov.au - the Australian Government's website
- www.moneyhelp.org.au or freecall: **1800 149 689** (interpreters if needed)
- **Ombudsman's services** - An Ombudsman is like an impartial referee in a soccer match. They can investigate your problem if you cannot resolve it directly with the company. Their services are free.
 - **Energy (electricity and gas) and Water Ombudsman Victoria (EWOV)**
www.ewov.com.au or freecall: **1800 500 509** (interpreters if needed)
 - **Telecommunications (phone and internet) Industry Ombudsman (TIO):**
www.tio.com.au or freecall: **1800 062 058** (interpreters if needed)



What we found



In the *Financial life in a new setting* research we found that migrants from Afghanistan and Chin and Karen communities from Burma have many different experiences in relation to financial matters in the new setting of Melbourne, Australia.

It can be overwhelming to learn so many new things in the early stages of settlement. When people arrive in a new country, **support from community organisations is invaluable.**

People from Afghanistan and Burma have brought many strengths with them and these have helped them in their settlement. The Afghans are helped by their religion, working together and helping each other, education and prior experience of banking and finance in Afghanistan. Chin and Karen migrants are strengthened by family unity, working together and helping each other, religion and a strong sense of hope for the future.

We found that **many people are facing significant financial hardship** and they have to budget with very small incomes. In many cases people only meet day-to-day expenses by being very thrifty, for example growing their own food or going without recreational activities. People who are not working are far more likely to have difficulty paying their living costs than those in regular paid employment.

The costs of education are a significant burden on finances for most families.

People asked for information about credit; bank loans and credit cards, how to understand telephone, internet, electricity, gas and water bills, and contracts and insurance.

A lot of people said they wanted to know where to go to get help with financial matters.

People said they need information to be provided face to face, in their own language or with an interpreter. Written materials like pamphlets need to use clear, simple language and need to be provided in multiple languages.

Another barrier is the lack of a trusted source of information. People receive lots of financial information and marketing but don't always know which things come from a trusted source, or offer a good quality service or product.

We found that sending money to family and loved ones overseas was very important for the people we interviewed. People send money because they know their loved ones need money for food, fuel and health care. This responsibility should be taken into account in any financial information, education or services provided to these communities.

The people we spoke with had many different experiences before and during their migration to Australia. Some people have had little experience of using money or of financial transactions before arriving in Australia, while others had experienced some level of financial transaction in life.

Helpful information

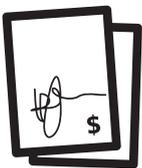
A lot of people in the *Financial life in a new setting* research asked about credit; bank loans and credit cards, how to understand telephone, internet, electricity, gas and water bills and contracts and insurance. We have included some information here that we hope will help you find what you need to know.



Credit including loans and credit cards

- Using credit or taking a loan (borrowing money and repaying it with interest) can help you do things like buy a house or a car.
- Getting into debt is easier than getting out of it.
- Fees, charges and interest rates can make credit very expensive, especially if you borrow more than you can afford.
- **Credit is risky** and you should think about it very carefully.

Credit cards allow you to borrow money up to a certain limit without paying interest as long as you pay the full amount when you receive the bill. If you don't pay the full amount, you will be charged interest. Most credit cards also have an annual fee. Read the card's terms and conditions to check when and how much interest will be charged.



Bills and contracts such as utilities bills and phone/internet plans

- The first thing to do if you have trouble understanding your bill is to **contact the company that sent you the bill**.
- If you still need help after speaking to them, you can contact MoneyHelp. MoneyHelp is a not-for-profit service supported by the Victorian Government. It provides free, confidential and independent financial counselling, advice or information to Victorians.

www.moneyhelp.org.au or freecall: **1800 149 689** (interpreters if needed)



Insurance especially car, life and funeral insurance

- Insurance may provide some money when things go wrong, for example if your house burns down, or your car is stolen.
- With some insurance, the cost of things like repairs, medical treatment or theft can be reduced.
- But many companies provide different types of insurance, so it's important to read the fine print, ask lots of questions and **check whether the policy is necessary and right for your needs**.

For more information go to: www.moneysmart.gov.au

Next steps

Based on this research, we have made the following recommendations to Government and financial service providers:

1. Information and education about finance need to be tailored to people's life stage, and their experiences of financial life in their country of origin and during migration. It should build on the strengths people have and acknowledge the constraints and challenges posed by resettlement in Australia. Community organisations and community leaders should be consulted.
2. The problem of inadequate income needs to be addressed.
3. Information needs to be provided face to face, either in people's own language or with an interpreter. Written materials need to use clear, simple language and need to be provided in multiple languages.

The Brotherhood of St Laurence

For over 80 years the Brotherhood of St Laurence has been giving a helping hand to those in need. We work not just to lessen the effects of poverty, but to prevent poverty. We help people build better futures by providing:

Early childhood development: assisting disadvantaged children and their families by providing quality early childhood learning programs

Youth support: assisting disadvantaged young people by supporting their education and assisting their transition into employment

Jobs and training: providing effective training and job placement services for people experiencing long-term unemployment

Care for older people: providing residential aged care, day and respite services for disadvantaged older people

Financial inclusion: assisting people on low incomes to save for the future, build assets and repay debt

Refugee support: providing services to help newly-arrived refugees settle in Australia

Research: investigating the causes of poverty and using evidence-based research to support calls for policy reform and improved services

Advocacy: lobbying government, business and the wider community on behalf of disadvantaged people

For more information and to support our work contact the Brotherhood of St Laurence:

Phone: (03) 9483 1183

Email: info@bsl.org.au

Website: www.bsl.org.au



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For copies of this flyer in Burmese, Chin Haka, Dari, English, and Karen, or for copies of the full research report in English, go to www.bsl.org.au

Please note that photos in this brochure do not depict research participants.