



Promoting healthy finances

An evaluation of the Financial Health Service pilot

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Brotherhood
of St Laurence

Working for an Australia free of poverty

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Summary

In 2010, the Brotherhood of St Laurence piloted the Financial Health Service (FHS), a free, one-on-one financial information and guidance service for low-income earners and other financially vulnerable people.

The FHS aimed to prevent financial difficulties through early access to money guidance. One distinguishing feature of the service was that it moved beyond budgeting to emphasise access to entitlements and empowering clients to maximise their income and exercise their consumer rights. It was offered at the Brotherhood's Smith Street office in Fitzroy, and also in several other locations throughout Melbourne. A total of 75 individuals received face-to-face assistance.

Key findings

- **Money questions.** The majority of clients sought information on alternatives to deal with the pressure of rising fixed costs without an equivalent rise in income. Housing stress and utility bills were the most common concerns. For some clients, fixed costs rose at the same time as they experienced a *fall* in their income as a result of unemployment, health problems, or reduced hours of paid work due to care responsibilities.
- **Attitude and behaviour.** The service boosted clients' confidence and willingness to seek financial guidance in the future. However, its capacity to generate effective action from clients was uneven. Clients' behaviour was related to their broad life context and often to particular life-changing events, rather than resulting directly from lack of information.
- **Financial information channels.** Free, one-on-one financial guidance offered by a trusted source was preferred as a channel for receiving money information over other channels such as bank branches or the internet.
- **Delivery mode.** Clients considered good communication and trust as the most important qualities of a financial advice service. This matches the observations of the Financial Health Worker, who emphasised building trust with clients and close collaboration with other community agencies as important features in the design of a future service similar to the FHS.
- **Service co-location and integration.** Physical co-location with other service providers did not lead automatically to service integration. It worked better when the service was placed at an organisation with strong community ties, and was actively promoted by the local community workers.

Context

Financial hardship and vulnerability affect both the material resources of individuals and families, and their physical and psychological wellbeing. Financial hardship is often more acute for those already facing other kinds of disadvantage, such as low income, limited education and difficulties in accessing mainstream financial services.

In recent years, the demand for emergency relief and financial counselling services has increased in Australia. In particular, agencies have noticed both an increase in clients returning for more assistance and a new group of clients, represented by middle-income earners.

Conscious of the need to invest in early interventions that support individuals before they reach the crisis stage, the Brotherhood designed the FHS as a preventative intervention, to provide financially vulnerable people with access to free, one-on-one financial information and guidance.

Clients

The evaluation focused on the 75 people who attended face-to-face appointments. Among these clients there were higher percentages of women, unemployed adults, those relying on Centrelink as their main source of income and other low-income earners. These demographic characteristics indicate the FHS succeeded in reaching its target population, namely, low-income earners and other financially vulnerable groups.

In addition, it is worth noting that as initial contact was made by telephone, this sometimes served as a triage point for referrals of inquirers to other support services, such as financial counselling. Interestingly, community workers and case managers from various organisations also phoned, usually seeking clarification and information for their clients. This intra-sector demand had not been initially predicted.

Money questions

The vast majority of the 75 FHS clients sought information to reduce the pressure they were facing to cover basic expenses, such as utility bills and housing. Given their income level and reliance on rented properties, mortgage payment was not a frequent problem. Some clients mentioned credit card debt, but compared with the general population the number of clients who even owned a credit card was low.

There were often external triggers beyond the individual's control that led to an increase in costs without an increase in income. Many clients had experienced a life event that tipped their finances towards a position of risk. In fact actual *reduction* of income was common, with specific life events triggering financial vulnerability such as:

- housing pressure (increased rent in a highly competitive rental market)
- disability (physical or mental)
- relationship breakdown
- becoming a carer
- gambling
- lack of understanding of the Australian financial, employment and benefits system (for new migrants).

Attitude and behaviour

A survey of 18 clients indicated an increased level of confidence regarding management of their money issues following their experience with the FHS. Clients also appeared more willing to seek financial advice in the future, an important achievement considering that most had no previous experience of financial guidance.

About 44 per cent of the survey respondents declared they had taken action following their appointment. While the survey sample is very small for conclusions on the capacity of the service to lead to action, feedback to the Financial Health Worker during follow-up calls suggests there is a complex relationship between knowledge improvement and behaviour change.

Financial information channels

While 78 per cent of respondents had internet access at home, only 61 per cent had used the internet for money-related questions. Clients' preferred channel for answers to their money questions was one-on-one assistance via community services, while internet ranked at the bottom (see Table A).

Table A Preferred source for consultation on money questions

Source	No. of clients
Friends/family	4
Internet	1
Community services (group information session)	3
Community services (one-on-one)	8
Local bank branch, face to face	3
Other	2

Note: Some clients selected more than one option.

With regard to the most influential group in their financial decisions, surveyed clients ranked financial counsellors highest, followed by family members (see Table B).

Table B Most influential group in the individual's financial decision

Influence	No. of clients
Family members	4
Close friends	3
Government	0
Financial counsellor	8
Bank/financial service provider	2
Other	2

Note: Some clients selected more than one option.

Delivery mode

Clients highlighted good communication, trust and the experience of the advisor as the main qualities they looked for in a service such as the FHS (see Table C). This reinforces the importance of relational and social elements in providing a bridge between available information and clients' needs. Other researchers and practitioners indicate that personalised attention is a valued feature that may be missing in non-targeted information services.

Table C Most important quality of a financial advice service

Quality	No. of clients
Experience of the advisor	5
Trust and relationship with the advisor	6
Good communication	7
Being able to talk about information related to my specific questions and needs	3
Other/no answer	1

Note: Some clients indicated more than one option.

Service co-location and integration

Throughout the year, promotion of the service became the most evident challenge. When the FHS was offered at the Sudanese Centre in Footscray, demand increased considerably. However, as trials of the service in other locations showed, co-location alone was not sufficient. Support of the host agency staff in promoting the service, access to on-site interpreters for non-English speaking background clients, and the fact that case workers with an established relationship with the clients made the referrals all contributed to better integration of the FHS with other services provided at the Footscray centre.

Policy recommendations

The FHS was a short pilot, but its results confirm that many people are experiencing financial difficulties which could be reduced through adequate support and information. A vision of an inclusive society, one that effectively embraces those who are living at the margin, has to go beyond a crisis management approach to invest in prevention. With this approach in mind, it is recommended:

- **that government agencies direct resources to support face-to-face dissemination of financial information and guidance through trusted community agencies**

The extent to which financial information services will be able to generate the kinds of partnership and social embeddedness required to make them effective depends on adequate and continuing resources.

- **that financial information and guidance be integrated with other services that support financial management (such as financial counselling, emergency relief and other financial inclusion initiatives)**

Preventative financial information and guidance should be incorporated into existing services such as emergency relief and financial counselling. Incorporating strategies that not only alleviate immediate hardship but also build clients' skills and capabilities can improve resilience and may reduce reliance on those services.

- **that crisis community services such as health, employment and family services include assessment of financial capability as part of their case management, and that community workers be trained and resourced to this end**

Community services that support people overcoming a crisis are well placed to integrate financial capacity building into their services. Trusted community workers can provide financial information and guidance to support longer-term outcomes. These workers should have access to a secondary telephone consultation service, where they can obtain prompt financial information and clarification to pass on to their clients

- **that governments consider the development of broad financial education campaigns to support early intervention**

A well-designed preventative campaign, using TV advertisements as well as innovative channels such as social media, has the potential to reach a large audience. Campaigns should promote the message that the earlier people access money guidance when they are experiencing a transition period in their lives, the better prepared they will be.

- **that structural causes of financial hardship be addressed as part of any systemic response. This includes measures to provide both adequate income and a fair marketplace.**

As efficient as strengthening individual financial capability may be, it will not make up for the systemic barriers that keep bringing people back to a condition of high financial vulnerability. Adequate and regular income, an asset base to reduce the impact of a sudden financial shock, and social policies that effectively promote an inclusive society are fundamental components of a preventative package.

1 Introduction

From January to October 2010, the Brotherhood of St Laurence's Financial Inclusion Department ran the Financial Health Service (FHS). Funded by the Victorian Government Consumer Credit Fund, the FHS piloted a free, one-on-one financial information and guidance service for low-income and disadvantaged people, with focus on prevention of financial difficulties through early access to financial guidance and information. This evaluation assesses the pilot's main outcomes.

Financial hardship and vulnerability affect not only the material resources of individuals and families but also their wellbeing. Financial hardship is often more acute for those already facing other kinds of disadvantage, such as low income, limited education and difficulties in accessing mainstream financial services. For the most disadvantaged groups, who do not have a material or social safety net, minor variations in income may be enough to push them into financial crisis.

The Australian government explicitly acknowledges the relevance of financial matters to the wellbeing of all citizens in its social inclusion agenda:

[Social inclusion] involves making sure that income, financial support and services meet people's essential needs. It goes beyond minimum standards of living to the skills and relationships that underpin people's long term wellbeing and the economic opportunities through which they can develop themselves. (Department of the Prime Minister and Cabinet 2009, p. 2)

It is therefore a matter for concern that the demand for financial assistance via emergency relief services, as well as for financial counselling, has been increasing in recent years.

This situation is aggravated by the fact that social services agencies have noticed both increased demand from existing users and a new group of clients, represented by middle-income earners. A survey conducted with Salvation Army clients in South Australia showed that 10 per cent of respondents were paying house mortgages and were not used to accessing emergency relief. It also revealed that for tenants, rental costs could amount to as much as 53.5 per cent of their income (Access Economics 2008) and they could therefore be considered under housing stress. Since these people were looking for emergency relief, it is reasonable to say that they were likely to be among the bottom 40 per cent in the income distribution scale (Nepal et al. 2008).

The high demand for assistance was not restricted to the immediate post-financial crisis period. In a recent survey among Anglicare organisations across the country, more than 90 per cent of staff members observed that not only had demand increased but so too had the complexity of clients' needs (Anglicare Australia 2010).

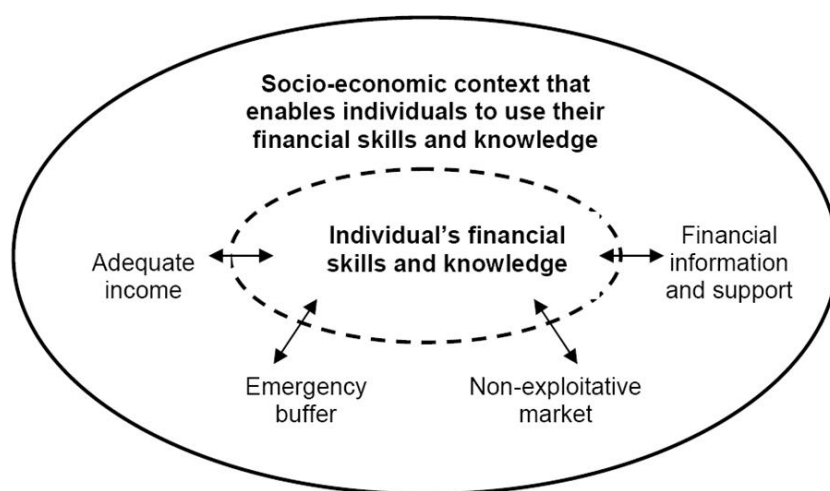
Through its experience in running financial inclusion programs and activities, the Brotherhood has been conscious of the gap in the provision of unbiased, free, financial information to individuals living on low incomes or facing other kinds of high financial vulnerability. As documented in the report of the inquiry into financial products and services in Australia (Parliamentary Joint Committee on Corporations and Financial Services 2009), individuals on low incomes are often excluded from access to private, mainstream financial advice services. Free financial counselling exists, but the increasing pressure on these services and their focus on case management and crisis resolution limit the space for preventative, education-oriented interventions.

Financial capability

Financial inclusion is gaining increasing policy attention, in Australia and overseas. Although different programs have been implemented, most have been a mix of microfinance services, asset-building policies and initiatives to promote financial capability (Arashiro 2010). The FHS fits into the third category.

The pilot follows the framework for understanding financial capability developed by Landvøgt, which recognises structural as well as individual factors (2008, p. 84), as shown in Figure 1.1:

Figure 1.1 A framework for understanding financial capability



Source: Landvøgt 2008, p. 84

This is distinctive because it does not place exaggerated emphasis on individual financial behaviour as the central cause for financial problems. While in some cases that may be the actual source of financial difficulties, studies of financial behaviour in Australia do not provide any evidence that a behaviour specific to the ‘poor’ is the cause for their condition (Kelly & Gong 2010; The Australia Institute 2010). British research suggests rather that low-income families tend to be better in ‘keeping track of their money’ than those on higher incomes (Rowlingson & McKay 2008). In New Zealand, a study of families accessing budgeting services also indicated that debt problems are not confined to low-income families, with providers facing a rising demand from middle and high-income families (Families Commission 2009).

From a social policy viewpoint, addressing financial hardship and vulnerability is important, not least because of the strong linkage between financial matters and individual and social wellbeing. Research confirms what practitioners have also detected: the link between financial health and physical and mental health. A recent study on mental illness and debt conducted by Good Shepherd Youth and Family Service identified dependence on government benefits and long-term illness or disability as ‘the strongest predictors of debt’ (Ryan, Klinger & Healy 2010, p. i). Research with unemployed men in the building industry has shown a high incidence of depressive symptoms among those surveyed (Du Plessis 2010). Anxiety and shame have also been identified as contributing to a silent health deterioration of those undergoing financial stress (Taylor, Jenkins & Sacker 2009; Starrin, Åslund & Nilsson 2009).

Lessons from other financial education and information initiatives

Various governments and civil society organisations are running programs for the promotion of financial capability and financial education. It is important to note that the term ‘financial capability’ holds different meanings in different programs, and this has implications for evaluations. While the framework in Figure 1.1 explicitly acknowledges the relevance of structural constraints in the analysis of financial capability, internationally the most disseminated parameter is the one adopted initially by the British government, emphasising five individual-based indicators: keeping track of money, making ends meet, planning ahead, choosing products and staying informed (Holzmann 2010; McQuaid & Edgell 2010).

In the UK, following the Treasury’s commissioned review on the feasibility of a national service for generic financial advice (Thoresen 2008), the government allocated £12 million to a one-year pilot of money guidance services. The Money Guidance Pathfinder ran from April 2009 to March 2010, and used a multi-channel strategy—online, telephone, and face-to-face—to deliver the information under the brand *Moneymadeclear*. The Money Guidance Pathfinder’s main outcomes were as follows (Kempson et al. 2010):

- The most used channel was the website (192,250 individuals), followed by face-to-face consultation (24,595) and telephone-based information (3811).
- Most financially vulnerable groups relied on face-to-face service, and enquiries were mainly related to debt, budgeting, and social security and tax credits.
- Website users had higher financial capability, and enquiries were mainly related to choice of products / best-buy options.

The evaluation also revealed that face-to-face consultation was the most likely to generate improvements in the five indicators of financial capability (keeping track of money, making ends meet, planning ahead, choosing products and staying informed) and to lead to action. Some 62 per cent of users of face-to-face service stated they acted on the information received, compared with 58 per cent of those accessing telephone information, and 50 per cent of website users (Kempson et al. 2010).

The current UK government’s strategy in the area of financial capability and education relies on a budget of nearly £33 million for 2010–11. That includes £1.4 million for the development of a ‘financial health check’ tool, as well as £8.5 million for a national financial advice delivery service, following the successful results of the Money Guidance Pathfinder pilot (Consumer Financial Education Body 2010).

In Australia, the most recent government initiative in this direction has been *MoneyHelp*, a service sponsored by the Government of Victoria and managed by the Consumer Action Law Centre. It is a financial advice service provided through various channels: online, telephone and face-to-face contact. The first evaluation suggested that the service is assisting clients through knowledge building, reducing anxiety and increasing confidence. It also identified the potential for the service to work as a ‘triage’ point for cases requiring face-to-face financial counselling, as long as there is adequate investment in a strong partnership with the financial counselling sector, service limitations are made clear to potential clients and there is an effective referral system (Clear Horizon Consulting 2010).

Community-based debt advice services, which are more akin to financial counselling than to the FHS preventative consultation, have also spread around the UK. Community Money Advice, for instance, is a charity which supports community groups in the implementation of free face-to-face money advice and has developed a model and technology to standardise the procedures. It is estimated that around 1500 non-government organisations currently offer free debt advice, which raises concerns about the sustainability, integration and funding of the system (Gillespie & Dobbie 2009).

Orton's longitudinal three-year study (2010) of low-income households who received debt advice revealed positive outcomes, such as an improvement in people's ability to cope with their situation and prevention of further financial deterioration. Overall, participants had a positive attitude toward the service received but disliked the idea of financial education as an activity detached from the debt advice. Among the main causes of debt, the study highlighted the limitations imposed by low income, as well as behavioural issues, not only of individuals in debt but also of credit providers who actively promoted irresponsible lending.

'Made of Money' was an innovative program run by the British organisation Quaker Social Action from 2005 to 2008. It aimed 'to support low-income families to talk, listen, and learn about money and its impacts on their lives' (Sharp Research Services 2009, p. 4). It included partnerships with family services organisations, and explicitly targeted the family unit rather than individuals, promoting participation of parents and their children. The delivery methods included 'taster' sessions, one-on-one family advice, workshops and residential courses. A unique benefit of that approach was its ability to generate some positive changes at the level of intra-family relationships with money, both between partners and between children and parents.

Finally, awareness of the need to make financial advice and education accessible locally has fostered outreach services. Evaluations emphasise that while outreach services are better able to reach people where they are, building collaboration with trusted intermediaries is key for the active engagement of all parties, including the clients (Buck et al. 2009; Forell & Gray 2009).

2 Methodology

The initial aim of this evaluation was to measure the impact of the pilot on the clients' attitudes and behaviour relating to money, and to compare those results with other methods of delivery of financial education.

There are, however, difficulties involved in measuring behaviour change. While governments and non-government agencies have increasingly looked to financial literacy or education programs to promote individual behavioural change, there is no clear evidence that the programs have succeeded in generating that effect (Atkinson 2008; Holzmann 2010; Willis 2008). The problem may result, among other factors, from the mismatch between policy instruments and goals, often fed by a partial reading of the ideas advanced in behavioural economics (Kahneman 2003; Köszegi & Rabin 2008; Sen 1977).

Methodologically, a reliable attempt to measure behaviour change would require a multivariate longitudinal analysis, with consideration of the structural and social factors that affected potential changes in an individual's behaviour. It is also important to differentiate between sustained behaviour change and a more immediate reaction following intervention. For instance, in the context of the FHS, if a person actively sought information on how to address a specific financial matter, and after receiving the information they implemented the suggested action, it seems inappropriate to categorise that as behaviour change.

Rather than focusing on behaviour change, therefore, it was decided that the evaluation, by monitoring the process of providing the service, could give practitioners and policymakers valuable information for future design and implementation of similar programs. While variations in the implementation process affected the robustness of the data for comparative purposes, that was compensated by the opportunity to test innovations during the pilot's life. Additionally, limited quantitative data prevented a more substantial impact analysis.

The evaluation's objectives were therefore defined as follows:

- to register the learning curve for the pilot team during the process of service implementation
- to assess whether the Financial Health Service influenced immediate actions and attitudes of clients towards the financial matters which they identify as their particular concern
- to identify whether the one-on-one method of money guidance provided a unique value to clients when compared with other methods of financial information.

Data collection

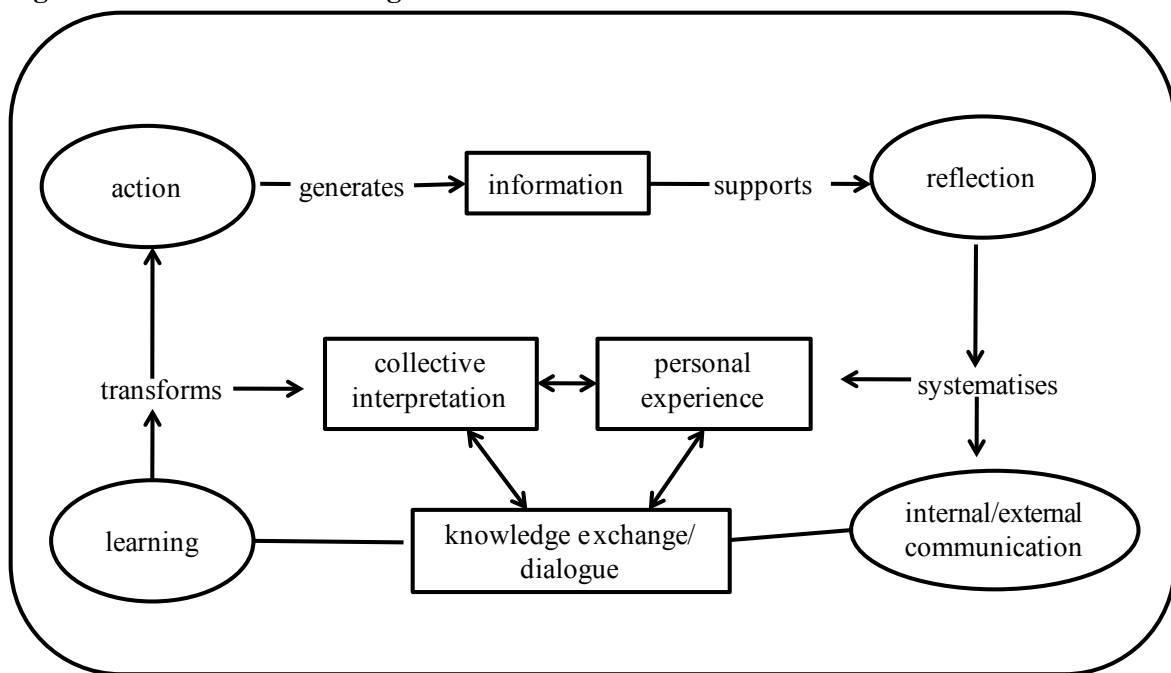
The evaluation combined the following quantitative and qualitative data:

- a survey of clients (see Appendix A Survey results) which resulted in 18 responses. Only clients who gave prior consent were contacted for the survey. The initial contact was by telephone. After three failed attempts, a printed questionnaire was mailed, together with a pre-paid envelope and a letter explaining why feedback would be appreciated. There was a period of at least one month between the appointment and the call to allow the client some time to start implementing actions
- eight semi-structured interviews with clients

- five interviews with practitioners outside the Brotherhood, including general and financial counsellors
- one group conversation with community workers specialised in providing support to new migrants and refugees.

To register the learning curve for the pilot team, the evaluator used Herrera and Ugarte’s framework for organisational innovation (2008, p. 28) as a reference. The framework (Figure 2.1) emphasises the learning curves that can occur within organisations through action and collective reflection, which then function as sources for innovation. The idea of continuous reflection on the practice and innovation guided the meetings between the pilot team and the evaluator.

Figure 2.1 Framework for organisational innovation



Source: Herrera & Ugarte 2008, p. 28

Limitations

The small number of clients who were surveyed prevented us from developing a robust quantitative analysis. The pilot reached 75 clients for individual, face-to-face appointments. At the time we finished the data collection in early November, 36 out of the 75 were listed as consenting to take part in the evaluation. From that group, only 18 clients answered the survey, representing 50 per cent of those who authorised contact, but only 24 per cent of the total number of clients.

3 The Financial Health Service (FHS) pilot

Since 2005 the Brotherhood, through its Financial Inclusion Department, has been delivering Money Minded, an adult financial education program developed by ANZ to help people, particularly those on low incomes, to build their financial skills, knowledge and confidence. Money Minded is delivered through workshops for community groups as well as through facilitator training for community workers.

Brotherhood staff found that it was common for participants in Money Minded workshops to pose specific questions and express money concerns which required individual attention and could not be adequately dealt with in group sessions. While referral to financial counselling was in some cases necessary, many participants were not yet facing a critical situation but needed preventative support or simply wanted to learn and talk about how to make the most of their income, given their specific life stage or circumstances.

They frequently required guidance about how to access concessions, how to understand the government benefit system, and consumer matters, especially in relation to utility and phone providers. Various clients found it hard to find comprehensible information formats. Many faced multiple barriers to accessing information via the internet such as low literacy levels, limited computer access and skills, and information overload. Many were not used to searching for that kind of information on the web, preferring instead a face-to-face 'chat' which provided an opportunity to contextualise the information to the specifics of their situation. They often seemed more comfortable approaching facilitators with whom they had already initiated a relationship.

Moreover, community workers attending the facilitator training often said they felt ill-equipped to assist their clients when money questions and issues arose, but there were not many places beyond financial counsellors where they could refer their clients.

It was clear that despite the various sources of financial information available to the public, these were not reaching people who were on low incomes or otherwise financially vulnerable. There was also a concern that if those individuals were left without support, a simple concern could escalate into a more serious financial problem. Given the clients' low incomes, it was easy to predict that an unresolved difficulty related to utility bills could quickly become a source of financial and emotional stress.

In the UK, similar challenges were mobilising policy makers' attention. The Thoresen Review's recommendations (Thoresen 2008) highlighted the value of a national generic financial advice service, and contributed to the British government's decision to pilot the Money Guidance Pathfinder.

The pilot concept

The main idea for the FHS was to pilot a free, one-on-one money guidance and information service, based on the notion of preventative intervention through education, rather than crisis management. The parallel with interventions in the health sector is not coincidental. The increasing demand on emergency relief providers and financial counsellors has exposed the need for investment in initiatives that help people to improve their 'financial health' early on, particularly for the most financially vulnerable groups, who often lack the social and economic resources to recover promptly from a financial hit.

Using the financial capability framework developed by Landvogt (2008), the FHS was designed to support the empowerment of individuals by acknowledging their skills, and maximise their income through the exercise of their rights, use of entitlements and access to required financial services and products.

The FHS pilot ran from January to October 2010 as a free, preventative guidance and information service about money matters, targeting low-income and disadvantaged people. It aimed to improve individuals' financial capability through information and education. It was not designed for individuals requiring case management, in need of legal counsel or seeking advice on which financial products and services they should acquire.

Goals

The goals of the FHS pilot were:

- to pilot a one-on-one financial information and guidance service for low-income and disadvantaged people
- to measure the effectiveness of the one-on-one financial information and guidance service in terms of impact on participants' attitude and behaviour related to money, and compare the results with other delivery methods of financial information.

Location

While the Financial Health Service's main location was the Brotherhood's office in Smith Street Fitzroy, the pilot included an outreach component, including visits to other community hubs.

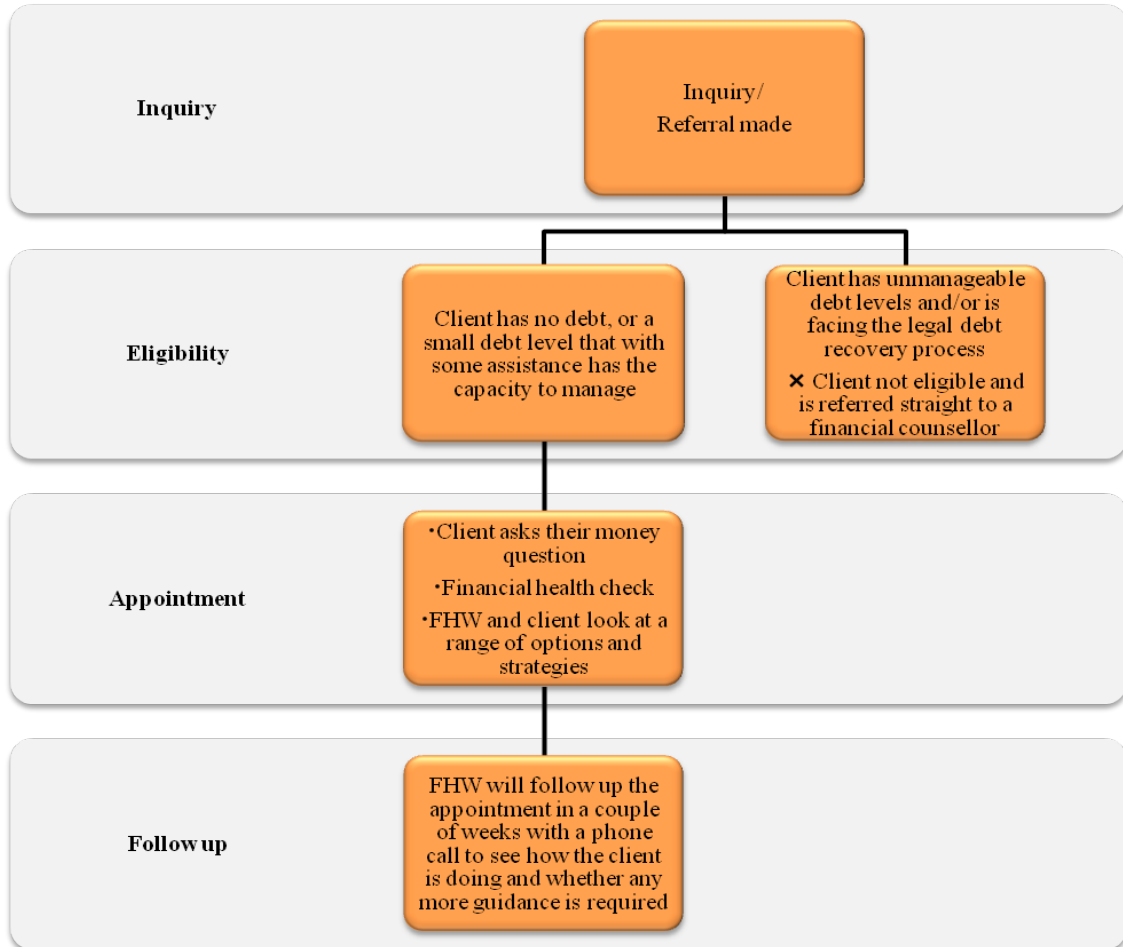
Structure of the service

The FHS pilot was delivered by one full-time staff member (the 'Financial Health Worker'), supervised by the Brotherhood's Financial Capability Initiatives Coordinator. The steps of the process are outlined in Figure 3.1. The Financial Health Worker's main task was to provide face-to-face financial information that could help clients to maximise their income (Landvogt 2008).

Areas covered included:

- budget and cost minimisation
- saving and planning ahead
- entitlements, such as concessions, Centrelink payments, child support, employment support and housing assistance
- consumer rights
- community support services such as legal centres and financial counselling when necessary.

An expected outcome of the FHS was that consultation with the Financial Health Worker (FHW) would assist clients to make informed financial decisions. For a first screening of the client's strengths and gaps in financial knowledge, the Financial Health Worker conducted a 'Financial Health Check' (Appendix D). A follow-up conversation was also included in the service delivery procedures.

Figure 3.1 Steps of service delivery

Source: Financial Health Service Referral Kit (see Appendix C)

Money guidance boundaries and eligibility

The pilot targeted people living on low incomes and other vulnerable groups facing or likely to face financial hardship. There was no income upper limit imposed. By avoiding an income threshold, the service was made available to individuals who might experience a sudden change in their financial life but who were not necessarily eligible at that point for welfare assistance.

To comply with Australian laws regulating financial advice services, the Financial Health Worker did not provide recommendations on particular financial products or services. If potential clients were identified as being in a situation of crisis or in need of legal advice, they were referred to the corresponding support service.

Promotion strategy

The initial service promotion strategy consisted of intense networking and communication with community organisations and Centrelink, including staff presentations as well as distribution of promotional flyers (Appendix B) and the ‘referral toolkit’ (Appendix C). An important intention of the pilot was to reach people when they were facing life transitions known to impact on finances. Promotion of the service initially targeted organisations that deal with clients experiencing the following events and transitions:

- moving in and out of work
- changing housing circumstances
- experiencing sudden illness or disability
- becoming a carer
- becoming a parent.

Steering committee

A steering committee, comprising six experts from government and non-government sectors, provided support to the pilot team regarding:

- the overall strategic direction of the pilot
- design and evaluation of financial literacy programs
- potential risks and limitations of the pilot
- final project deliverables and evaluation.

4 Key findings

During the project, the Financial Health Worker provided face-to-face information to 75 clients and exclusively telephone-based clarification (not followed by a face-to-face appointment) to 67 clients. The Financial Health Worker also delivered 24 workshops across Melbourne. These workshops, introduced from the middle of the pilot as a promotion strategy, reached 211 participants.

It is also worth mentioning that community workers also accessed the FHS in order to gain financial information and clarification which they could then pass on to their clients. This was an interesting phenomenon which indicated the demand for an easily accessible financial information service for community workers.

Implementation process

The FHS was a twelve-month pilot. The first two months of the project were dedicated to selection of the Financial Health Worker and formation of the steering committee, design of the service and preparation of promotional material. Service delivery began in January and ended in October 2010.

In May, the Financial Health Worker, her supervisor and the evaluator met for a mid-term assessment (summarised in Table 4.1). At that point, the FHS was offered half a day per week at the following locations: the Brotherhood of St Laurence's offices in Smith Street, Fitzroy and in Frankston; the Brotherhood's Centre for Work and Learning; the Ozanam Community Centre (a drop-in centre for homeless people); and the Church of All Nations in Carlton.

During the initial months, the main challenge for the staff was finding effective ways to reach out to potential clients. The pilot staff, as well as the community workers and experts interviewed for this evaluation, all agreed that based on their previous experience with clients, a free preventative service was necessary. With that in mind, several innovations were introduced in the second half of the pilot:

- The Financial Health Worker would deliver workshops (see Appendix E) at different community sites providing general financial tips and informing attendees of her availability for one-on-one appointments.
- The Financial Health Worker would offer the service at new locations (outreach services).
- A 'drop-in' day service would be offered.

The staff feedback on the second stage of the service is summarised in Table 4.2.

Table 4.1 Mid-term assessment, for November 2009 – April 2010

Service promotion strategy	
What happened?	What did we learn?
<p>Some 50 community organisations and government agencies were contacted and informed about the services. Contact happened through personal visits, emails, on-site presentations and telephone calls, and included the distribution of promotional flyers and the referral toolkit.</p> <p>Organisations contacted gave positive feedback regarding the need for the service, but the number of clients coming via referral was still very low.</p> <p>Community workers called for appointment but often had to cancel later because ‘clients did not feel ready’ to talk about money.</p>	<p><i>‘Recruitment, it’s been much harder than initially thought.’</i></p> <p>Churches can be a good space to disseminate information.</p> <p>There are specific challenges in providing the service for people with complex needs, especially those with mental health issues.</p> <p>Confirmed that building trust takes time but is essential.</p>
Initial phone call	
What happened?	What did we learn?
<p>Initial call often led to referral to other services.</p> <p>When inquirers mentioned they were having difficulties paying debts over \$5000, they were referred straight to financial counselling or legal aid.</p> <p>The initial conversation helped the Financial Health Worker to identify gaps and prepare for the face-to-face appointment.</p> <p>Calls showed some confusion about the nature of the service (e.g. requests for material assistance).</p>	<p>Identified gaps in knowledge about consumer rights, bank accounts, bank fees, concessions.</p> <p>Service provided to non-English speaking background individuals has to adjust to language and cultural specificities.</p>
Face-to-face appointment	
What happened?	What did we learn?
<p>Appointments took longer than expected, one hour on average. The Financial Health Worker’s time was split between addressing the client’s money question and conducting the Financial Health Check. Since financial education and empowerment of clients were central to the service, the conversation was not about how the Financial Health Worker would fix the client’s money question but about which actions the client could take in the present and in the future.</p> <p>Language was not as strong a barrier in face-to-face conversation.</p>	<p>Although a lot of information material on money guidance and consumer rights is available, clients often felt overloaded by the amount of fragmented information.</p> <p>Many clients said to the worker that they felt a strong sense of relief after the conversation.</p>

Table 4.2 Final assessment, for May–October 2010

Service promotion strategy

What happened?

Number of referrals from organisations contacted early in the year started to increase. Referrals came from 22 different community services agencies.

The Financial Health Worker continued on-site presentations and promotion in organisations such as employment agencies and women’s support providers.

What did we learn?

Investment in promotion is essential, but it takes time and resources.

It also takes time to begin seeing the fruits of the promotion efforts, that is, for a service to be known and disseminated within the community.

Even when referrals occur, clients often do not feel ready to talk about their financial situation.

Innovations

What happened?

(1) Workshops:

The Financial Health Worker delivered 24 workshops in various suburbs of Melbourne, reaching 211 participants.

What did we learn?

Although the workshops were well attended, they did not lead to clients requesting one-on-one appointments.

Workshops can be a great ‘ice breaker’, giving people the opportunity to talk and identify gaps in their financial knowledge. Positive feedback.

(2) Outreach service:

The co-location of the service at the Footscray Sudanese Centre, a centre dedicated to promoting community development. Bilingual workers at the centre helped as interpreters, but the Financial Health Worker decided to not run the Financial Health Check as it would be too complex.

The demand for the services was high at the centre. Word-of-mouth referral worked well within the community.

The major triggers for financial vulnerability were relationship breakdown and rental costs.

Reached women only.

Some clients were enthusiastic but tended to expect the Financial Health Worker to take actions on their behalf or to be available for further consultations.

The numeracy and English literacy skills of clients substantially affected their understanding of financial information.

Language barriers and time limitation made it hard to go beyond the basic step of information provision towards a more empowering process.

There is a huge gap between new migrants’ assumptions and the reality of how the Australian (financial, employment, benefits) system operates.

Many clients came with issues which required a case management approach.

(3) Drop-in sessions

Offered one day per week at the Brotherhood of St Laurence’s Smith Street office.

Trust building is essential, and it takes time for people to know about a service and for referrals to happen.

Did not work well.

Service promotion

Throughout the year, service promotion became the most obvious challenge. The Financial Health Services faced the challenge of getting people to seek money guidance before they reached a stage of financial vulnerability or, in the worst case, financial crisis. The thought of opening up their financial life for examination was overwhelming, especially for those on very low incomes or facing other difficulties, such as unemployment or physical and mental health problems.

On the other hand, those individuals who are managing a very low income and are not facing a specific money problem may perceive seeing a 'financial health worker' as irrelevant to effectively improving their material conditions.

The fact that the workshops were well attended but did not lead to one-on-one appointments indicates that people with different levels of 'financial worries' may be served through different delivery channels. If the central goal is long-term preventative education, the workshop model may be more suitable, as long as information is well tailored to the targeted audience. On the other hand, a personal consultation can be a valuable early intervention when people are already worried about money matters but do not talk about the situation with others due to fear, shame or lack of social support. Here, again, the challenge is how to build trust and help those in need to overcome those barriers and seek assistance.

Access to the service

A limitation of the FHS, common to most public support services, is that it operated during business hours only. That meant individuals working during the day who might benefit from the service could not access it. One client, a single parent who despite working full-time had faced difficulties to cover the costs of child care and rent, suggested financial counselling support after hours: 'I leave at eight and I get home at seven and not everybody can send their husband or wife off to the counsellors'.

A positive outcome of the pilot was the growing demand when the service was co-located at the Sudanese Centre in Footscray, between July and October. In that period, over two-thirds of the clients booked for face-to-face appointments were from the centre. This indicates that when the service is located with other community services, in a convenient site already attended by potential clients, there is greater opportunity to reach those in need. But co-location alone was not sufficient. Support of local staff in the promotion of the service, access to on-site interpreters and the fact that case workers with an existing relationship with the clients made the referrals all contributed to better integration of the FHS with other services provided at the centre.

Resources

The pilot service had only one staff member, who divided her time between one-on-one appointments, workshops and promotion activities. Ideally, with adequate financial resources, these tasks would be shared among several workers, relieving the pressure on one individual and allowing the staff to cover specific locations.

Procedural challenges

On some occasions, the Financial Health Check could not be applied. This was especially the case at the Sudanese Centre where time constraints, language limitations and the feeling that the check would overwhelm the clients, led to the decision that it was more important to address the client's doubts.

One step which proved hard to manage was the follow-up call. The call was due about four weeks from the initial appointment, but in many cases clients were not found when the call was made. Allocating more staff time to pursue this contact is essential.

Client outcomes

Throughout the year, 75 individuals used the FHS for face-to-face consultations. These people are represented in the data from the service database. The additional 67 telephone-based queries were not added to the database.

Table 4.3 shows there was proportionally higher demand for the service from individuals of non-English speaking background. This high representation can be attributed to the co-location at the Sudanese Centre, attended primarily by individuals whose first language is not English.

Among the clients there were, as expected, higher percentages of women, unemployed adults, those relying on Centrelink as their main source of income and other low-income earners. These demographic characteristics indicate the FHS succeeded in reaching its target population, namely, low-income earners and other financially vulnerable groups.

Table 4.3 Demographic profile of FHS clients

Demographic characteristics	No. of clients	Percentage of responses
Gender		
Female	47	63%
Male	28	37%
Age range		
18–24	2	4%
25–44	35	61%
45–54	11	19%
55–64	5	9%
65+	4	7%
<i>Unknown</i>	<i>18</i>	
Birthplace		
Australia or other English-speaking country	30	50%
Other	30	50%
<i>Unknown</i>	<i>15</i>	
Employment status		
Not working	35	80%
Casual	5	10%
Part-time	2	5%
Full-time	2	5%
<i>Unknown</i>	<i>31</i>	
Relationship status		
Single	28	45%
Single with children under 18	20	32%
Partnered	3	5%
Partnered with children under 18	11	18%
<i>Unknown</i>	<i>13</i>	
Main income source		
Centrelink	48	75%
Wage	6	9%
Child support	2	3%
Other	8	13%
<i>Unknown</i>	<i>11</i>	
Approximate individual income per fortnight		
\$360–\$690	16	28%
\$691–\$900	17	30%
\$901–\$1500	20	35%
\$1501–\$2000	4	7%
<i>Unknown</i>	<i>18</i>	
Total	75	

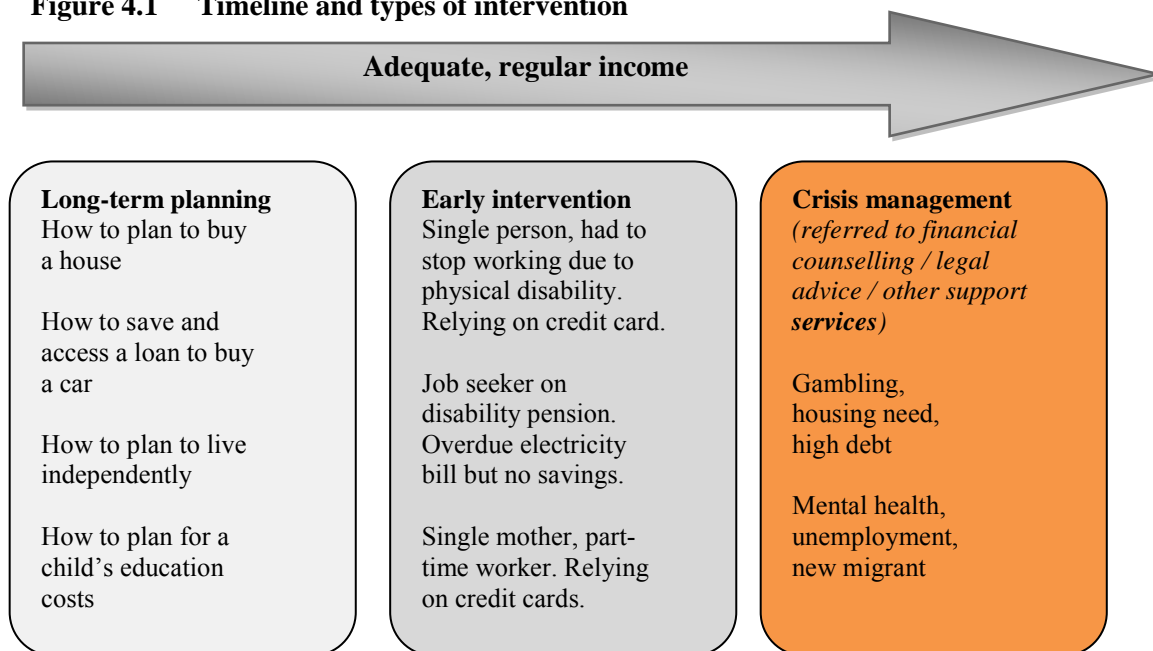
Money questions

The vast majority of clients were seeking information to reduce the pressure they were facing due to basic expenses, such as costs of utility bills and housing. Given their income level and reliance on rented properties, mortgage payment was not a common problem. Some clients had problems with credit card debt, but compared with services that do not target low-income earners, the number of clients who even owned a credit card was low.

The Financial Health Worker had a number of contacts who fell outside the scope of the service and had to be referred to other support agencies. Reasons varied from legal debt to complex needs such as physical or mental illness and addiction. Also, various community workers referred their clients to the service, after detecting that financial questions were part of their challenges.

Based on the notion of intervention along a timeline, we have selected some examples of clients' needs (see Figure 4.1).

Figure 4.1 Timeline and types of intervention



Clients were interested in reviewing their budget to find out whether there were ways to 'maximise the utility' of their current income. They also showed interest in saving. In many cases, the ability to save had immediate implications, such as being able to pay an overdue bill in small instalments. It also represented a mechanism to prevent indebtedness, by paying all bills on time.

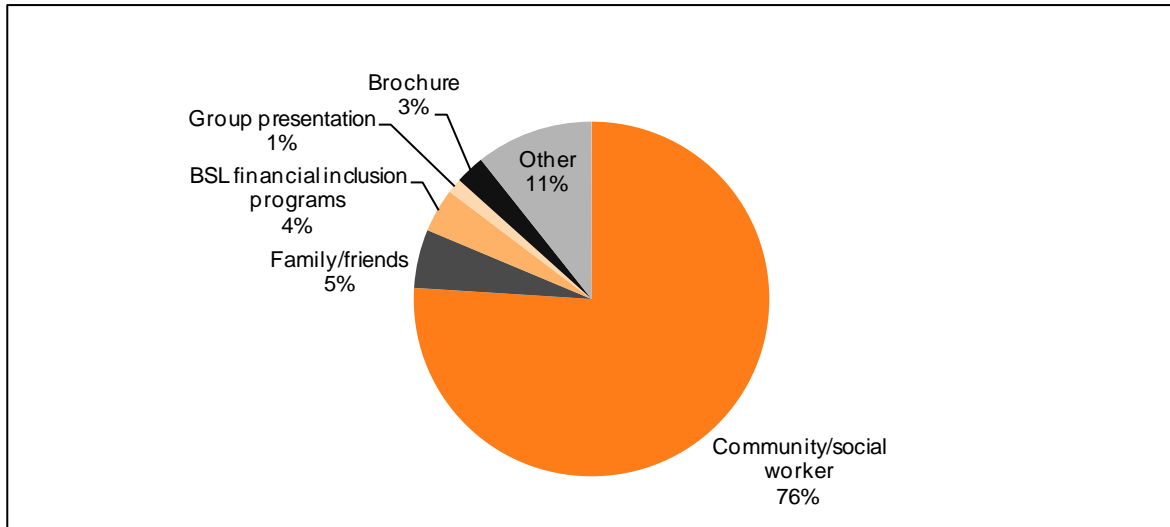
Contrary to the stigmatising view that low-income earners have poor behaviour in relation to their money management, this was rarely the case among the FHS clients except for those with complex needs or lack of understanding of concepts and the financial system in Australia. There were often external triggers beyond the individual's control that led to an increase in costs not matched by an income rise. Many clients had experienced a life event that tipped their financial life towards an area of risk. In fact actual *reduction* of previous income level was common. As predicted in the pilot's design, particular life transitions and events functioned as triggers for an increase in financial vulnerability. The most commonly cited were:

- housing pressure (increased rent in a highly competitive rental market)
- disability (physical or mental)
- relationship breakdown
- becoming a carer
- gambling
- lack of understanding of the Australian financial, employment and benefits system (among new migrants).

Referral source and financial advice

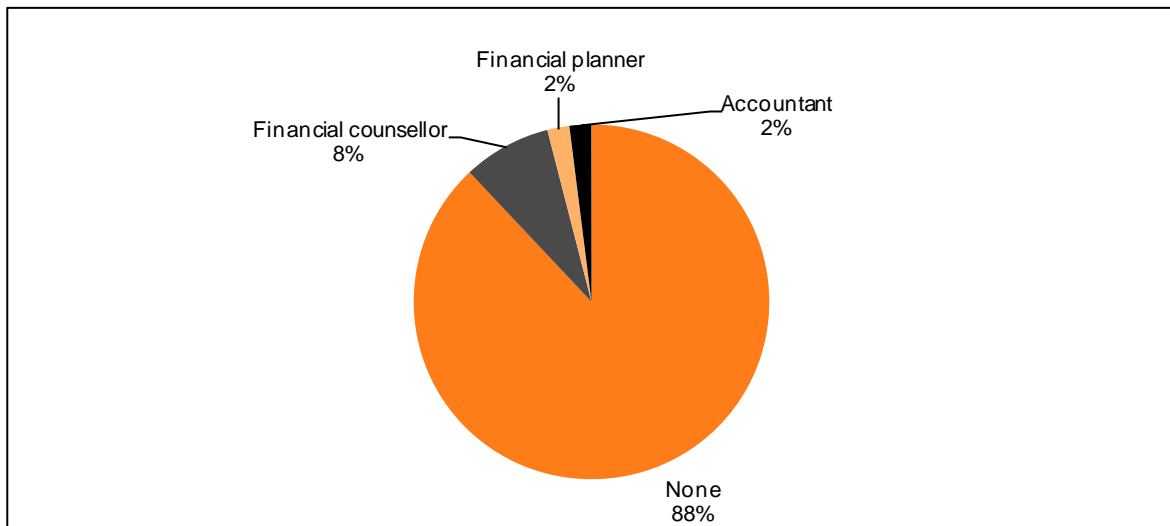
The most common source for referral was community/case workers, who accounted for 76 per cent of the referrals (Figure 4.2). In addition to Brotherhood services, 22 other organisations referred clients to the service.

Figure 4.2 Referral source



Data on previous use of financial advice services was obtained for 83 per cent of clients. The vast majority of these (88%) had not accessed any kind of financial guidance before, while only 8 per cent stated they had seen a financial counsellor (Figure 4.3).

Figure 4.3 Previous use of financial advice service



Clients' perspectives

The evaluator had access to those clients who, during the appointment with the Financial Health Worker, agreed to be contacted later for evaluation purpose: 36 out of 75 clients provided authorisation, and 18 individuals answered the questionnaire. For the other half of potential respondents, obstacles included change or disconnection of telephone, refusal to participate when contacted and language barriers.

Questionnaire responses indicated that:

- Most clients surveyed found that the information received helped them answer their money question, either fully (50%) or partially (28%), while 22 per cent said that it did not help them 'at all'
- Many respondents (50%) considered that a second appointment would have helped

- Regarding understanding of money issues, 50 per cent said it 'improved' and 39 per cent said it 'stayed the same'. None of the respondents answered that their knowledge had 'improved a lot'.

There were also two open questions at the end of the survey where clients could indicate whether they experienced any significant change as a result of accessing the service and could offer suggestions for service improvement. Responses are presented in Box 4.1.

Box 4.1 Clients' comments and suggestions, as written in the survey

Was there any significant change for you as a result of accessing the Financial Health Service?

- I may in future see a financial counsellor.
- Realising that even people on low income can save.
- [Financial Health Worker] gave me the number of the telecommunications ombudsman as I was having trouble with Telstra. And that fixed up answering machine. This in turn enabled me to join an English foundation course. Ta!
- Better negotiations with my bank.
- Electricity, food.
- Yes, I became enlightened on how to spend my money wisely, especially how to save.
- Yes, because I try to save money.
- Ideas for budget, buying house, mortgage.
- No.
- Not really, but [Financial Health Worker] was great.
- I don't feel any change.

How could the Financial Health Service be improved to better suit your needs?

- Let the client know about Money Minded services, more information on where else we can go.
- Service was great, but ... No matter what I'm doing, the situation can't change.
- Awareness of the clients on the essence of planning their spending and workshops.
- Publish a booklet that shows money can be managed and showing how to save for the future.
- Give loan to help pay off debt.
- The best thing is know who to ask.
- More appointments, more learning.
- It was fine as it was, maybe just a follow-up several months later.
- A service location better suited for people with disabilities.
- Written action plan.
- Follow-up is really important.

Action

In order to verify whether the service influenced their actions, clients were asked if they had agreed to take an action during the appointment (Table 4.4), and if so, whether they had taken that action (Table 4.5). There was space in the survey for commenting on the reasons for not taking the action.

Table 4.4 Clients agreed to take an action following the appointment

Answer	No. clients	%
Yes	11	61
No	7	39
Total	18	100

Table 4.5 Clients who took action

Answer	No. clients	%
Yes	8	44
No	3	17
Not applicable	7	39
Total	18	100

Approximately 44 per cent of respondents took some action following the appointment. While the sample is too small to allow conclusions on the capacity of the service to lead to action, feedback to the Financial Health Worker during follow-up calls suggests a complex relationship between knowledge improvement and behaviour change.

Interviews allowed us to explore the reasons why some clients did not take actions in spite of acknowledging the benefits of the guidance received. Some thought the advice could not really alter their circumstances or considered that the appointment confirmed their lack of options. These were often clients facing multiple challenges in a context limited by low income and lack of other sources of social support. Others agreed that the information was good, but cited being busy with other priorities, or the need to consult with other parties, as reason for the delay. One young client said that he really liked the idea of putting his utility bills on Centrepay but his flatmate did not want to, and since they shared the bills he decided not to. Another client, a young carer, said she would write down the budget plan but first wanted to pay off some outstanding bills. Another client emphasised how she appreciated realising that she could save, but was still having difficulties finding the exact amount that she could deposit in the bank (as savings) without running out of money.

The interviews with clients confirmed some differences between Australian-born and some new migrant communities that may have affected the impact of the FHS.

Most Australian-born clients felt they already had good general knowledge and understanding of their particular situation. Although they appreciated the service, some sensed a mismatch between what they needed and the more general advice they received. In other cases, individual characteristics led to resistance to advice. This was especially the case for the two seniors interviewed, who despite their debt and some additional needs did not acknowledge they needed some guidance, and expected a straightforward, quick-fix solution. One client explicitly resisted the worker's advice to look for financial counselling and stated repeatedly during the interview that she 'had worked out what to do anyway'.

On the other hand, all three non-English speaking background clients who were interviewed acknowledged that they had learned from the service. The FHS may have helped to fill the gap in

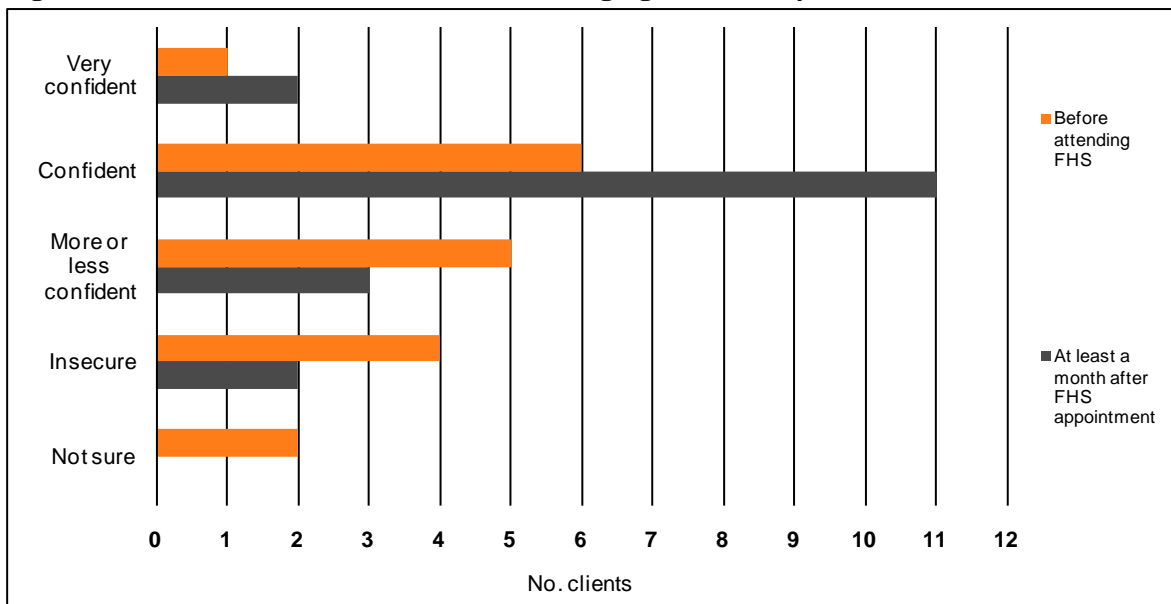
financial education services for new migrants by providing face-to-face clarification of concepts that may be new for them, such as the idea of saving for an individual rather than family purpose, or fortnight planning instead of day-to-day budgeting. One client, a father of four children who heard about the service through his wife, spoke about the various tips he had received from the Financial Health Worker, which he was following. These included doing grocery shopping once a week rather than daily, bulk buying and turning off lights in rooms they were not using at home. He mentioned that since he had seen the worker, he had not ‘got it perfect’ but was trying, and was glad that he had managed to save a ‘little bit of money’.

These experiences indicate the great variation between community members in their degree of financial knowledge and understanding. It is evident that any personalised support service will need to take into account individual characteristics.

Attitude

Section 2 of the survey aimed to assess potential effects of the service on the clients’ attitude and emotional reaction to money issues. There was indication of increased confidence of clients regarding management of their money issues (Figure 4.4).

Figure 4.4 Clients’ level of confidence in managing their money issues



It is interesting to compare the result above with the response for levels of confidence immediately following the service (Table 4.6). In this case, most clients stated that they felt the same as before. Among the reasons for improvement a couple of months later may be the fact that some needed to first take actions before their confidence improved.

Table 4.6 Level of confidence immediately after consultation with Financial Health Worker

Answer	No. clients	%
More confident	6	33
The same	12	67
Less confident	0	0
Not sure	0	0
Total	18	100

Nonetheless, when thinking of their financial future most clients felt some discomfort (Table 4.7). This should not be surprising, given that most of them face systemic challenges such as very low income, unemployment or disability.

Table 4.7 Financial future and emotional impact

Answer	No. clients	%
Very comfortable	3	17
Comfortable	4	21
A little bit worried	7	39
Very worried	1	6
Anxious	2	11
No answer	1	6
Total	18	100

Finally, we assessed the extent to which the FHS helped clients to become more open to seeking financial advice. This is particularly important from a financial prevention perspective and for the overall health of clients. General and financial counsellors interviewed for this evaluation frequently stressed the connections between financial pressure and other forms of stress:

Just the number of people who cry ... the number of people who come in actually clinically depressed because they are so worried about their finances; and that is why it is so relieving for people to have actually linked into the service. (Financial counsellor)

More often than not it's multiple issues, it's not just like financial issues. It'll be financial, relationship, work, other stresses ... In my experience, I've found that when people are in a highly stressed state they find it hard to take information in ... There's a lot of preconceived ideas of what getting help means ('There's something wrong with me', 'I don't want anyone else to know'), so there can be a lot of shame that's around seeking help. (General counsellor)

Considering that the majority of clients had not sought financial advice before, the responses were quite positive (Table 4.8).

Table 4.8 Willingness to seek financial advice in the future

Answer	No. clients	%
Yes	11	61
No	5	28
No answer	2	11
Total	18	100

Financial information delivery channels

Section 3 of the survey captured clients' preferences for channels for receiving financial information.

While 78 per cent of respondents had internet access at home, just 61 per cent had used the internet for money-related questions. When asked how they preferred to find answers to their money questions, online information ranked extremely low. One-on-one assistance via community services ranked first, followed by friends and family (Table 4.9).

Table 4.9 Preferred source for consultation on money questions

Source	No. clients
Friends/family	4
Internet	1
Community services (group information session)	3
Community services (one-on-one)	8
Local bank branch, face to face	3
Other	2

Note: Some clients indicated more than one option.

With regard to the most influential group in the clients' financial decisions, financial counsellors ranked the highest (Table 4.10). This was somewhat unexpected, since most of the clients had never accessed financial counselling services. This category was followed by family members, a group that from previous experiences and the literature we would expect to be the first choice. One factor that may explain this result is the large representation of single persons among clients. Although this does not prevent them from accessing family for advice, it appeared that single clients were reluctant to discuss their financial situation with family members.

Further research might explore whether a service such as the FHS could be tailored to single people facing financial vulnerability, who are more likely to experience social isolation. One financial counsellor commented that she saw a lot of single clients without children under their care, who are probably among the most under-resourced in society.

Table 4.10 Most influential group in the individual's financial decision

Influence	No. clients
Family members	4
Close friends	3
Government	0
Financial counsellor	8
Bank/financial service provider	2
Other	2

Note: Some clients indicated more than one option.

Clients highlighted good communication, trust and the experience of the advisor as the main qualities they looked for in a service such as the FHS (Table 4.11). This result complements the indicators above, and reinforces the importance of relational and social elements in providing a bridge between available information and the client's needs.

Table 4.11 Most important quality of a financial advice service

Quality	No. clients
Experience of the advisor	5
Trust and relationship with the advisor	6
Good communication	7
Being able to talk about information related to my specific questions and needs	3
Other/no answer	1

Note: Some clients indicated more than one option.

In terms of program design, personalised attention does seem to be a valued feature that cannot be found in non-targeted information services. However, policy makers and practitioners need to be aware that this would require more investment of time and resources.

Interviews

Eight semi-structured interviews were conducted with clients. The only selection requirements were to achieve a gender balance and to include at least one non-English speaking background client in the sample. In the end, five women and three men were interviewed, including three from non-English speaking background.

Still, the interviewees represented a range of categories, from those seeking pure preventative financial education to clients in situations at the edge of financial vulnerability.

Preventative financial guidance

Lisa¹ is a young woman who recently decided to live independently and who was now searching for budget information and money management courses to prepare for her new life. She did not have a credit card or loans and was not in financial difficulties. However, she moved from a situation of full-time work, sharing a house with friends, to one of reliance on Centrelink benefits after becoming the sole carer of her young nephew. To prepare for her new role, she enrolled in various courses, from budget and cooking to parenting. It was through the parenting course with a community organisation that she heard about the FHS.

Lisa's main interest was budgeting adequately for her new context and responsibilities. As she explained:

I wanted to be on top of it because I didn't want to be too stressed ... I was a little bit nervous [to live independently] so I wanted to have some information and to prepare myself a little bit.

Although the FHS provided Lisa with some useful tips about how to plan her expenses, such as using an envelope system for bills, she preferred a more specific approach based on her current income and expenses which could help her to figure out saving targets. Lisa searched for financial information both online and in local libraries, but found the online budget tools too complex to use day to day. She experienced 'a bit of anxiety around it too, just looking at it thinking I have to think of all these things'.

When asked about places we could promote services such as the FHS, Lisa suggested Centrelink, housing offices and high schools. She had heard stories of young people in her area at risk of becoming homeless—they are 'couch surfing'—and suggested that young people should get advice early to prepare for the financial implications of living independently.

Lisa exemplifies the case of a proactive person who likes to plan ahead and who looks for information. Still she faced difficulties accessing information in a form compatible with the way she learns. Perhaps, for her, the FHS was too elementary. At the same time, she had struggled to find online a budget tool that was easy to use and adjust to her circumstances.

Financial education for new migrants

For the new migrants of non-English speaking background, the main outcome of the FHS experience was learning about money planning in Australia. Unlike Lisa, these clients often required more intense initial support to 'bridge' the gap between their understanding of monetary life in their country of origin and the Australian system. Moreover, basic numeracy and literacy levels of English varied considerably.

¹ Pseudonyms are used to protect the clients' privacy.

For Samir, a young male who had had to interrupt work due to a disability, the main motive for his consultation with the Financial Health Worker was to learn how to pay a two-week overdue electricity bill. He did not have outstanding debts. Still he lives on a very strict income, as he sends most of his savings to his family overseas. Samir said that through the FHS he learned the importance of keeping some money for himself in the case of an emergency and also found out about the Centrepay system.

As we talked about his previous experiences with money in Australia, it was clear that Samir was a very good saver but that other factors had made him financially vulnerable. A couple of years ago he had taken a loan from a mainstream financial institution to assist his family overseas, but soon afterwards he lost his job. He received support from a financial counsellor, and once employed was able to pay off his debt in small instalments. Recently, due to a disability, he had been unable to work for a while but he was now looking for a new job.

Sarah too is a migrant, from Africa. She found out about the FHS through her church and decided to use it because she wanted advice on how to save to buy a house. She is married and does not have loans or credit cards. Sarah appreciated the Financial Health Worker's advice and tried to implement it. Still, she finds that implementing is 'a little bit hard', as she sometimes puts a lot of money in the bank but has to withdraw it days later. She opened an account for her child and is trying to save for her child's future. She mentioned that in Australia she had to learn how to plan fortnightly, instead of the day-to-day budgeting in her country. Sarah liked the FHS because it gave her the chance to talk openly with a neutral party, without facing shame or criticism.

Managing on a limited income

Anna is in her mid-thirties and for the last three years has been on a disability pension due to a medical condition. She is experiencing some mobility impairment, but likes her independence and tries to keep active, enjoying arts and cooking. She consulted the Financial Health Worker because, under the pension payment, it had become increasingly hard for her to cover her essential costs. After the conversation, she followed the advice to contact her bank and telephone provider, and succeeded in renegotiating fees. However, she had to continue to use her credit card, which was indispensable for paying for costs such as medical treatments. The main reason for her financial situation is that she is attempting to maintain some quality of life with a very restricted income and lack of access to support services that suit her needs. As she explained:

There are a lot of basic services like carers and things like that that aren't available for people in this huge big grey area from about five years [old] to elderly ... People say 'you are too young' but I am not too young to have this medical condition.

Since she enjoys going to the market and cooking, she decided not to have meals on wheels delivered. In her physical condition, she has to rely on cab rides for most of her external activities. She also has limited access to carers, which makes basic day-to-day duties difficult. She considers that the few activities that she maintains are fundamental for her psychological health, and there should not be a trade-off for her financial security.

Like Anna, Amanda is also financially vulnerable as the result of a complex picture. She is a single parent of a five-year-old child who has suffered from a health problem from birth. Because Amanda was a professional working full-time, she did not qualify for Centrelink payments and could not even get payment assistance for her child. Rent and child care are the main items on her budget, which in practice has been supplemented via her credit cards:

Right now I owe \$20,000 from starting out with no debt when I was pregnant to \$20,000 debt because just trying to live and exist and rent and child care ... I'm paying \$1300 in child care and a little bit less in rent.

Amanda felt the appointment confirmed that she had tried every possible way to reduce her expenditure. Amanda has her own health problems, which she realises are impacting on her child's behaviour. In need of a break for health recovery, she decided to shift to part-time work, go back to university and finally become eligible for government benefits.

Summary of evaluation findings

In one year, the FHS pilot provided 75 individuals with free, face-to-face money guidance. Demographic data shows that the pilot reached low-income earners and other disadvantaged groups, but the number of clients was lower than the anticipated target of 500 clients.

For those who used the service there were positive outcomes, both in practical terms and in relation to confidence level. The survey sample was too small to allow generalisation, but combined with the case illustrations the data provides a picture of the various aspects that need to be considered in the future design and provision of financial information and guidance services.

The findings relating to each evaluation objective are outlined below.

Objective 1: Register the learning curve for the pilot team during the process of service implementation.

The main challenge was marketing of the services within the community, especially within the short timeframe of ten months and with just one staff member allocated for all tasks, from promotion to service delivery.

Clients acknowledged the follow-up calls as a positive feature of the service. They mentioned the value of follow-up calls as a reminder and opportunity for further clarification. Since making successful follow-up calls was time-consuming, future initiatives should be adequately resourced for that task.

The idea of expanding the service to other locations was perceptive, but only worked well when the service was physically co-located at a community organisation, where there was support of local workers in the promotion and referral.

Considering that service integration models have been tried in other countries and contexts, future programs should look at consistent findings which indicate the need for proper funding and investment in human resources, as well as integration of services beyond formal procedures.

The location of the service matters. A service targeting new migrants from specific backgrounds, for instance, needs to be located in places where they 'naturally' go for information and social activities. Similarly, a service planned for those suffering from disabilities may require modifications to facilities.

Objective 2: Assess whether the service influenced immediate actions and attitudes of clients towards the financial matters which they identify as their particular concern.

Both the confidence of clients and their willingness to seek financial advice in the future improved. However, the barrier of low income, often combined with other limitations that increase financial vulnerability, justified the clients' more cautious attitude in relation to their financial future.

There is no clear evidence of a direct link between knowledge improvement and behavioural change. This is an area that deserves further investigation in future research and programs, since there seems to be an unfounded expectation in various policy circles that single-issue interventions lead to behaviour change, regardless of the broad life context of individuals.

Objective 3: Identify whether the one-on-one method of money guidance provided a unique value to clients when compared with other methods of financial information.

The model of free, individual financial guidance does seem to represent an improvement on less personalised channels, such as the internet and workshops. While the attendance at workshops in this pilot indicates that there is also space for group information, the one-on-one, face-to-face service is more likely to offer the combination of expertise, personal relationship and effective communication that matches clients' needs.

5 Recommendations

The expectation that any person who is not a finance specialist can individually manage well the amount and complexity of financial information to which we are exposed daily is unrealistic. The FHS was a short pilot, but its results, together with the experiences reviewed in the Introduction, confirm that many people are experiencing financial stress which could be minimised through adequate support and information, not only at the material level but also with access to personalised attention.

A vision of an inclusive society, one that effectively embraces those who are living at the margin, has to go beyond reactive policies or a crisis management approach. As practitioners and policy makers agree in the health sector, a long-term perspective of ‘financial health’ requires investing *now to prevent* people from falling into a critical situation in the future.

In this last section, we make some policy recommendations and suggestions for a practice framework on financial information and education, targeting low-income earners and other groups who face more barriers to recover quickly from a financial shock.

Practice framework

- **A one-size-fits-all model does not work.** Programs have to be designed with particular groups in mind and include resources and tools that are appreciated by the targeted group. The FHS shows that most clients prefer face-to-face support and highlights the limitations of online tools if the aim is to reach the most financially vulnerable groups.
- **A holistic approach.** Financial issues are embedded in the broad context of an individual’s life. Preventative financial guidance for particular life transitions and events which are known for their financial impact—e.g. the move from school to work, becoming a parent, relationship breakdown, unemployment and retirement—should be offered in conjunction with other support services.
- **Strength-based approach:** Financial education has to start where people are, and be guided by an approach which values their existing skills and in a non-judgemental manner helps them to optimise their capabilities.
- **Trusted sources:** Trust is a fundamental element, especially for the most vulnerable groups who have often suffered from discrimination and may avoid mainstream services. Schools, community health centres, community centres, churches and housing offices are natural places for some groups to gather. Warm referrals through these networks can be an effective mechanism to reach people going through specific life transitions when they are more likely to search for financial information.
- **Service integration:** Co-location may work well and help find people where they are, as long as it is, in the words of the Financial Health Worker, ‘organic to the community’. This means that the service has to be located in an accessible site usually attended by the targeted population and where the staff are perceived as trustworthy.
- **Financial ‘ABC’:** Social and cultural practices influence financial attitudes and behaviour. Cross-cultural communication needs to go beyond bilingual teaching to facilitate the understanding of money management in the Australian context. A financial health check tool could be particularly useful for assessing familiarity with the Australian system.

Policy recommendations

In the light of the evaluation of the FHS pilot, it is recommended:

- **that government agencies direct resources to support face-to-face dissemination of financial information and guidance through trusted community agencies**

Services will depend on adequate resources as well as time in order to cultivate the kind of partnership and social embeddedness required to make them effective.

- **that financial information and guidance be integrated into other services that support financial management (such as financial counselling, emergency relief and financial inclusion programs)**

The pilot highlighted difficulties with establishing a service that is new and unfamiliar in the community. To be effective, preventative financial information and guidance should be incorporated into existing services such as emergency relief and financial counselling. Incorporating strategies that not only alleviate immediate hardship but also build clients' skills and capabilities can improve resilience and may reduce reliance on those services.

- **that crisis community services such as health, employment and family services include assessment of financial capability as part of their case management, and that community workers be trained and resourced to this end**

Community services that support people overcoming a crisis are well placed to integrate financial capacity building into their service. In many cases, financial issues may be a factor contributing to the crisis (particularly mental health). Trusted community workers can provide financial information and guidance to support longer-term outcomes. To be of assistance, the community sector workforce must be adequately skilled and resourced. These workers should have access to a secondary telephone consultation service, where they can obtain prompt financial information and clarification to pass on to their clients.

- **that governments consider developing broad financial education campaigns to support early intervention**

An option which is unexplored in Australia but has shown good results overseas is the use of broad media campaigns. A well-designed preventative campaign, using TV advertisements as well as innovative channels such as social media, has the potential to reach a large audience. Campaigns should promote the message that the earlier people access money guidance when they are experiencing a transition in their lives, the better prepared they will be.

- **that structural causes of financial hardship be addressed as part of any systemic response. This includes measures to provide both adequate income and a fair marketplace.**

It has to be stressed that, as efficient as strengthening individual financial capability may be, it will not make up for the systemic barriers that keep bringing people back to a condition of high financial vulnerability. Adequate and regular income, an asset base to reduce the impact of a sudden financial shock, and social policies that effectively promote an inclusive society are fundamental components of a preventative package.

Appendices

Appendix A Survey results

SECTION 1. THE CONVERSATION WITH THE FINANCIAL HEALTH WORKER
<p>1. Did the financial information/guidance you received help you answer the money question you had?</p> <p><input type="checkbox"/>_9_ Yes fully</p> <p><input type="checkbox"/>_5_ Partially</p> <p><input type="checkbox"/>_4_ Not at all</p>
<p>2. Did you agree with [Financial Health Worker] that you would take a specific action following your conversation?</p> <p><input type="checkbox"/>_11_ Yes</p> <p><input type="checkbox"/>_7_ No</p> <p>FIELD TO REGISTER ACTION _____</p>
<p>3. Have you taken that action?</p> <p><input type="checkbox"/>_8_ Yes</p> <p><input type="checkbox"/>_3_ No</p> <p><input type="checkbox"/>_7_ Not applicable [no action agreed]</p> <p>FIELD FOR REASONS FOR NOT TAKING THE ACTION _____</p>
<p>4. Did the follow-up phone call from [Financial Health Worker] prompt you to complete all the actions (dependent on Q2)?</p> <p><input type="checkbox"/>_2_ Yes all</p> <p><input type="checkbox"/>_4_ Yes some of them</p> <p><input type="checkbox"/>_1_ None of them</p> <p><input type="checkbox"/>_4_ Not applicable [follow-up call not received]</p>
<p>5. Would a second appointment have helped?</p> <p><input type="checkbox"/>_9_ Yes</p> <p><input type="checkbox"/>_8_ No</p> <p><input type="checkbox"/>_1_ Didn't answer</p>
<p>6. After talking to [Financial Health Worker], would you say your understanding of money issues:</p> <p><input type="checkbox"/>_0_ Improved a lot</p> <p><input type="checkbox"/>_9_ Improved</p> <p><input type="checkbox"/>_7_ Stayed the same</p> <p><input type="checkbox"/>_1_ Got worse</p> <p><input type="checkbox"/>_1_ Didn't answer</p>

SECTION 2. YOUR RELATIONSHIP WITH YOUR FINANCES
<p>7. Before talking to [Financial Health Worker], how confident did you feel about managing your money issues?</p> <p><input type="checkbox"/> 1_ Very confident</p> <p><input type="checkbox"/> 6_ Confident</p> <p><input type="checkbox"/> 5_ More or less confident</p> <p><input type="checkbox"/> 4_ Insecure</p> <p><input type="checkbox"/> 2_ Not sure</p>
<p>8. Right after talking to [Financial Health Worker], how confident did you feel about managing your money issues?</p> <p><input type="checkbox"/> 6_ More confident</p> <p><input type="checkbox"/> 12_ The same</p> <p><input type="checkbox"/> 0_ Less confident</p> <p><input type="checkbox"/> 0_ Not sure</p>
<p>9. When you think about your financial future, do you feel:</p> <p><input type="checkbox"/> 3_ Very comfortable</p> <p><input type="checkbox"/> 4_ Comfortable</p> <p><input type="checkbox"/> 7_ A little bit worried</p> <p><input type="checkbox"/> 1_ Very worried</p> <p><input type="checkbox"/> 2_ Anxious</p> <p><input type="checkbox"/> 1_ Didn't answer</p>
<p>10. At the moment, how confident do you feel about managing your money issues?</p> <p><input type="checkbox"/> 2_ Very confident</p> <p><input type="checkbox"/> 11_ Confident</p> <p><input type="checkbox"/> 3_ More or less confident</p> <p><input type="checkbox"/> 2_ Insecure</p> <p><input type="checkbox"/> 0_ Not sure</p>
<p>11. Are you more willing to seek advice for your money queries after talking to the Financial Health Worker?</p> <p><input type="checkbox"/> 11_ Yes</p> <p><input type="checkbox"/> 5_ No</p> <p><input type="checkbox"/> 2_ Didn't answer</p>

SECTION 3. CHANNELS FOR FINANCIAL INFORMATION

12. Do you have internet access at home?

14 Yes

4 No

13. Have you ever used the internet to help you with your money questions?

11 Yes

7 No

14. How do you prefer to find out answers to your money related questions?

[please CHOOSE 1 ONLY]

4 Friends/family

1 Internet

3 Community services – group information session

8 Community services – one-to-one appointment

3 At your local bank branch, face to face

2 Other

** Some respondents selected more than one option.*

15. Which group is the most influential when you make your financial decisions?

[please CHOOSE 1 ONLY]

4 Family members

3 Close friends

0 Government

8 Financial counsellor

2 Bank / financial service provider

2 Other

** Some respondents selected more than one option*

16. What is the most important quality of a financial information service like the Financial Health Service?

5 Experience of the advisor

6 Trust and relationship with the advisor

7 Good communication

3 Being about to talk about information relating to my specific questions and needs

1 Other

** Some respondents selected more than one option.*

**17. Was there any significant change for you as a result of accessing the financial health service?
What was this change?**

18. How could the Financial Health Service be improved to better suit your needs?

** PLEASE NOTE THAT WITHIN THE NEXT 30 DAYS, YOU MAY CHANGE YOUR MIND AND DECIDE YOU DO NOT WANT YOUR INFORMATION TO BE USED IN THIS EVALUATION. IF THAT HAPPENS, JUST CALL [PHONE NUMBER] OR EMAIL [ADDRESS] TO COMMUNICATE YOUR DECISION.*

Appendix B Promotional flyer

<p><u>Financial Counselling Services</u></p> <p>To find a financial counsellor in your area, please call</p> <p>Consumer Affairs Victoria</p> <p>Ph: 1300 55 81 81</p> <p>OR</p> <p>To speak to a Financial Counsellor over the telephone please contact Money Help</p> <p>Ph: 1800 149 689</p>	<p>Got a money question with no one to ask?</p> <p>Life's changing and you're struggling to adjust financially?</p> <p>Want to have a free, independent and confidential chat to someone about getting on top of your finances again?</p> <p>The service is currently available until November 2010. To make an appointment before then contact —</p> <p>We are located at:</p> <p>Brotherhood of St Laurence Mezzanine Level, 145 Smith St, Fitzroy</p>	<p> Working for an Australia free of poverty</p> <p>Financial Health Service</p> <p></p>
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Appendix C Financial Health Service Referral Toolkit

The Financial Health Service Referral Toolkit has been designed to help community workers and organisations have an understanding of what the Financial Health Service is about, its eligibility and what benefits it can provide for clients that present with financial questions and issues.

What is the Financial Health Service?

A free, prevention-focused information & guidance service about money and credit issues for people vulnerable to experiencing financial hardship during changes in life circumstances.

Who is eligible for the Financial Health Service?

1. People vulnerable to experiencing financial hardship during changes in life circumstances such as:
 - Moving in and out of employment
 - Change of housing circumstances
 - Sudden illness, disability or becoming a carer
 - Becoming a parent.
2. Person must not have any debts which have entered into the legal debt recovery process.

This is not a financial counselling service and therefore it is not appropriate for individuals that are in a debt crisis situation. Clients who are should be referred straight to a financial counsellor.

Do clients have to be on a Centrelink benefit to be eligible?

No, the service is open to everyone. Please note, however, that whilst the program has no specific income eligibility, the program is targeted towards people living on a low income and disadvantaged groups.

Who is NOT eligible?

Anyone who is already in a legal debt recovery process or has unmanageable debt levels (e.g. multiple debts with no capacity within their budgets to repay them). Any client in these circumstances should be referred straight to a financial counsellor.

What can the Financial Health Service be used for?

The service is an opportunity for people to ask money questions they may have related to their change in circumstances. This could include:

- Accessing new concession entitlements
- Establishing a new budget
- Savings guidance
- Understanding and questioning financial information
- Credit/loan information, and associated rights and responsibilities
- Help understanding and accessing their legal rights as a consumer
- Assistance negotiating with creditors and help accessing formal complaints services
- Planning for the future

OR

The appointment could be an ideal opportunity to do a 'Financial Check-Up' to see if there are ways to maximise their money situation and financial security.

What it CANNOT be used for?

- Assistance with legal debt proceedings (role of a Financial Counsellor)
- Advice about purchasing, varying or disposing of specific financial products

What are the benefits of using the Financial Health Service?

- It is free, independent, sales-free financial information and guidance
- Clients have the opportunity to ask any ‘money questions’ they need answers to.
These might be:
 - What concessions are there that I might be entitled to?
 - Can I readjust my repayment plan with the utility company?
 - Can you help me understand the fine print?
 - I feel like I’ve lost control of my money, what can I do?
- Clients are encouraged by the Financial Health Worker to gain control and confidence in dealing with their financial issues
- Clients can seek further advice if their circumstances change

What is the difference between a Financial Counsellor and a Financial Health Worker?

Financial counsellors help people who are currently experiencing significant financial hardship and may be facing a debt crisis. It is the role of financial counsellor to work with a client until their financial problem is resolved.

A Financial Health Worker is a preventative, guidance-based resource person whose target audience is not those with unmanageable debt but those who are vulnerable to financial difficulty as a result of life changes. It is for people living on a low income, wanting one-on-one guidance and tailored information to assist in making informed financial decisions. The outcome is based on increased confidence of clients to make informed financial decisions.

Examples which illustrate the different roles may be:

- John has recently been offered permanent housing through the Office of Housing. He will have to move out of his transitional property, where his bills are included in his rent. He is struggling to adjust his budget to include new expenses, such as utility bills. He feels like he won’t be able to cope financially and doesn’t know where to turn. John could benefit from seeing a **Financial Health Worker**, to work out a way to include and manage his increased expenses in his fortnightly budget.
- Sarah moved from a transitional property two years ago into a permanent Office of Housing property and is struggling with her expenses. She currently has many outstanding bills. She is getting behind in her rent and struggling to make the monthly repayments on her car loan and the company is threatening to repossess her car. Sarah is in immediate need of a Financial Counsellor, which will help her negotiate her car loan repayments and set up other repayment plans with her other bills/debts.

Note that to make the referral process as easy as possible, workers should try to ask their clients at what stage their debts are at. For example, they could ask, ‘Have you received a letter stating that legal proceedings will begin immediately if you do not act?’ If so, then they should be referred to a financial counsellor as soon as possible.

How does someone get to see a Financial Health Worker?

- Clients can either be referred by their community worker or self refer.
- Call [Financial Health Worker and contact details] to have a chat about whether the service would suit you/or your client. If not, she may be able to refer you to a more relevant service.

What documentation might people need to bring to an appointment?

- Current income statement from Centrelink
- Bank statement
- Current bills/loan documents
- Or any statements, documents, product brochures etc. that are relevant to their money questions

How will the appointments work?

- **Money Question**
The Financial Health Worker will ask the client what kind of information/guidance they are seeking from the service and how it can be of assistance. For example, a client who just got some employment may want to know how to start saving and wonder if he is eligible for a concession bank account.
- **Financial Health Check**
The Financial Health Worker will do a Financial Health Check with the client to establish where they are at and to gain a current understanding of their finances. This will include looking at their income, expenses and any outstanding bills/debts.
- **Provide information and guidance**
The FHW and the client would look at a few savings strategies and options together, as well as establishing what the client needs from their bank accounts. The client may take the opportunity to look at a comparison web site with different savings and concession bank accounts so the client can then make a better informed decision and ask any questions that may arise about the 'fine print'. Please note: The FHW will not make any product-specific recommendation, but rather be a support, helping the client to understand the financial information presented.
- **Follow up**
The FHW will give the client a call within a couple of weeks to see if they have been able to follow through on the agreed savings and bank account options, and address any subsequent questions that may have arisen.

Where is the Financial Health Service currently offered?

- Brotherhood of St Laurence, Mezzanine Level, 145 Smith St, Fitzroy
- Church of All Nations, Palmerston St, Carlton – every Thursday 9 am – 1 pm
- Brotherhood of St Laurence – Frankston – 2nd Tuesday of every month – 9.30 am – 4 pm
- Brotherhood of St Laurence – Centre for Work and Learning Yarra – Brunswick St, Fitzroy 9 am – 1 pm
- Ozanam Community Centre – North Melbourne – last Tuesday of every month 9 am – 1 pm
- Alternative arrangements can also be negotiated.

See also steps of service delivery, Figure 3.1 in this report.

Appendix D Financial Health Check

Getting assistance

1. Do you seek financial advice from anyone? Who?
2. Do you receive any kind of assistance from other community/local organisations? If yes, what kind?

Individual responsibilities

1. Do you have a filing system for your paperwork? If not, what do you do with it?
2. When you sign a contract, do you feel comfortable asking and understanding what your responsibilities are?

Entitlements

1. When was the last time you checked what your entitlements are with Centrelink?
2. Do you currently have a Centrelink debt? How much do you pay back per fortnight?

Minimising costs

1. How would you describe your current financial situation?
 - a) Struggling to make ends meet and feel myself getting into debt
 - b) Making ends meet
 - c) Able to cover my expenses and save
 - d) Able to cover my expenses and invest
2. Are you paying bank fees? If so, do you know what you are being charged?
 - a) *(If they are paying fees)* Are you aware of concession bank accounts for people on low incomes?
3. Who takes care of your household budget?
4. Do you usually pay your bills
 - a) before the due date
 - b) on the day
 - c) when I get around to it
 - d) I avoid it
 - e) always late
5. How do you pay your bills?
 - a) Centrepay
 - b) Payment plan, such as Easipay
 - c) Direct debit
 - d) Post office
 - e) Just pay them when I receive them
6. After you've paid for your regular expenses (rent, bills, food etc), how much money do you have left over a fortnight?

Under \$50	\$50–\$100	\$100–\$200	over \$200
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7. Do you have any outstanding bills or debts?

Appendix E Workshop outline

Introduction activity

- Present the group with the jar of fake money and get them to guess how much is in the jar. Explain to the group, at the end of the session I will reveal the answer and the winner will get a chocolate prize!!

Activity One – More bang for your buck!

- Split group into 3s or 4s and get each group to brainstorm ideas around how to be more savvy with their money in relation to: food, buying household items, lowering household bills and work-related costs.
- Get each smaller group to report back their ideas (smaller groups will use butchers' paper etc.) and then bluetack their list of ideas up in the room for all to refer to later.

Activity Two – Spending leaks

- Ask the group what they think 'spending leaks' are.
- Use the example of getting \$20 out of the ATM in the morning and by the afternoon you have no money left. Where did it go?? Discuss planning what you're going to spend your money on, etc.
- Also discuss spending leaks from work-related costs. For example buying a coffee each day before work will cost only \$3, which is nothing, but at the end of the week it's \$15 and at the end of the month it's \$60 and FINALLY \$720 a year!!! (This reiterates the importance of planning a budget.)

Activity Three – Pay yourself first

This is a hands-on 'savings' activity. It's presented with fake money and the usual household bills and expenses. The group gather around a central table with the different expense cards and a volunteer has to put expenses in the order that they would pay them. The activity is deliberately set up so not all expenses will be covered. We then refer back to the money saving ideas in Activity One and this helps to reiterate the importance of being savvy with \$\$ and having 'rainy day savings' to fall back on.

- Also refer back to the savings jar introduced right at the beginning of the session and explain to the group that clearing your purse a couple of times a week of \$1 coins will result in individuals saving a few hundred dollars in a year without even knowing you are 'saving'.

Activity Four – Consumer advice

- True or false activity around consumer rights, contracts, etc.

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