EVALUATION OF SAVER PLUS

Phase 4 (2009–2011)

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saverplus

FOREWORD

ANZ and the Brotherhood of St Laurence are pleased to present the fifth evaluation of the Saver Plus program conducted by RMIT University.

With support from the Australian Government through the Department of Families, Housing, Community Services and Indigenous Affairs to expand nationally, Saver Plus has become the largest, longest running matched savings program in the world. It has supported thousands of lower income earners to develop a lasting savings habit. The benefits that flow from this are clear in RMIT's report: savings provide a buffer against situations that can lead to long-term financial hardship, such as being caught in a cycle of unaffordable debt. Being in control of household finances lowers stress, improves confidence and increases levels of well-being of participants and their families.

ANZ and the Brotherhood of St Laurence acknowledge and thank our long standing community partners Berry Street, The Benevolent Society and The Smith Family.

As part of a unique and multi faceted partnership, each of our partners has contributed to the long term success of Saver Plus in delivering outcomes for program participants that help build financial and social inclusion. We also acknowledge and thank our service delivery agencies for their valuable contribution.

Finally, we thank the Saver Plus participants who took part in this evaluation. Their contribution enables us to understand the impacts of Saver Plus on their lives and to share what we learn for the benefit of policy-makers and future participants.

In 2013 we will celebrate the Saver Plus program's 10th anniversary. This latest evaluation supports our confidence that Saver Plus will continue in its next phase to build the financial capability and inclusion of thousands more lower income Australians.

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SAVER PLUS PARTNERS

Saver Plus is an initiative of the Brotherhood of St Laurence and ANZ. The program is funded by ANZ and the Australian Government Department of Families, Housing, Community Services and Indigenous Affairs, with ANZ providing matched savings for participants.

The program is delivered in partnership with The Smith Family, The Benevolent Society and Berry Street.

Local community organisations also deliver Saver Plus including Anglicare NT, Anglicare SA, Anglicare WA, BGT, Bethany Community Support, Jewish Care Victoria and Haven.

Brotherhood of St Laurence
Working for an Australia free of poverty

Australian Government
Department of Families, Housing, Community Services and Indigenous Affairs

ANZ

The Smith Family
everyone's family

benevolent SOCIETY

Since 1877
Berry Street
We never give up

CONTENTS

LIST OF TABLES

CONTENTS

LIST OF FIGURES

For low-income families, the benefit of saving, even small amounts, includes protection from financial shocks and building confidence in managing money and dealing with financial challenges.

This report provides an evaluation of the Saver Plus program delivered over two years, from 1 July 2009 to 30 June 2011 (Phase 4). Saver Plus is a financial education and matched savings program developed by ANZ and the Brotherhood of St Laurence. The program operates through a partnership model, with funding from ANZ and the Australian Government and delivery by a range of community organisations across Australia. By the end of Phase 4 on 30 June 2011, more than 7,000 individuals had successfully completed the Saver Plus program making Saver Plus one of the longest running, largest matched savings programs in the world.

For low-income families, the benefits of saving, even small amounts, include protection from financial shocks, building confidence in managing money and dealing with financial challenges. Research has found that having assets up to $1,999 significantly reduced the number of multiple hardships experienced (such as difficulty paying bills for telephone or utilities; missing a doctor's appointment; and/or inability to cover household expenses) (Mills & Amick 2010). In turn, having greater control over household finances and being able to plan ahead reduces stress and increases levels of wellbeing (ASIC 2011; Corrie 2011).

The act of saving is not only a positive habit giving a sense achievement, confidence and the ability to plan for the future (New America Foundation 2011), but saving even small amounts can provide a tangible buffer against situations that cause long-term hardship and financial stress.

Key to improving financial capability is to enable the development of a savings habit, which reduces the effort involved in understanding and applying financial information and establishes itself as routine behaviour. In other words, the development of a habit or a routine behaviour gives some sense of security when financial shocks occur (Loibl, Kraybill & DeMay 2011).

The overall objectives of Saver Plus are to help individuals and families to:

> improve financial skills, knowledge and confidence

> build a long-term savings habit

> save for their own or their children's education.

Saver Plus includes a matched savings rate of dollar-for-dollar (up to $500), financial education and support from a community organisation. Participants are enrolled for a minimum of 10 months and upon completion receive the matched funds from ANZ, which can be used for supporting their own vocational education or that of their children.

[1] The sample of research participants is a mix of Phase 3 and Phase 4 participants. Due to the rolling nature of the program, it was difficult to isolate a cohort belonging to Phase 4. The data is comparable because the program had not changed significantly between these two phases. Not all the participants who enrolled between 1 July 2009 and 30 June 2011, completed during this period; similarly, not all the people who withdrew during this period started the program in this time period.

During the two years from 1 July 2009 to 30 June 2011, 6,625 people were recruited to Saver Plus. At the time of this analysis (17 May 2012), 83 per cent (5,486) of these people had completed the program; 17 per cent (1,120) withdrew from the program without completing it[1]; and 19 people were still current (not yet having claimed matching funds). A total of 3,396 participants who commenced in Phase 4 were still on the program when it rolled into Phase 5 on 1 July 2011.

Of the 1,120 who did not complete the program, 486 (43%) attended at least one MoneyMinded workshop and 372 (33%) attended all four MoneyMinded workshops. The results in this report show that the participants who withdrew without completing Saver Plus, but had completed one or more MoneyMinded workshops, did gain some improvement in financial capabilities. Of those who withdrew from the program, 627 (56%) did not attend any MoneyMinded workshops.

SAVER PLUS PARTICIPANTS

The research is based on a sample of 1,201 participants from Phase 4 of Saver Plus – 1,029 who completed the program and 172 who did not complete the program during this phase.

A summary of the key findings follows:

> 83.2 per cent of participants successfully completed the program, reaching their savings goal, completing MoneyMinded sessions and receiving matched funds.

> 88.7 per cent of participants recruited in Phase 4 either completed the program in full, or 'part-completed' the program, attending the full MoneyMinded financial education component before withdrawing from the program.

> The average amount saved by all completing and non-completing participants was $598[2] over a 10-month period.

Managing money

Of those who completed Saver Plus:

> 87 per cent of participants were still saving the same amount or more up to 12 months post completion.

> 78.5 per cent of participants were better able to make ends meet.

> The number of participants who save a set amount regularly increased by 40.1 per cent.

> 70 per cent of participants had increased their savings and assets.

> 84.8 per cent felt they have more control over their finances.

Planning ahead

> 87.1 per cent were better able to plan for the future.

> The number of participants who lengthened their saving and spending plan time frame to more than a 12-month period increased 18 per cent. Conversely, there was a decrease of 35 per cent in the number of participants who planned saving and spending within only a one or two-week period.

> 79.2 per cent of all participants said they were better equipped to deal with unexpected expenses and 84 per cent reported they were better able to deal with financial problems.

Choosing products

> 83.1 per cent reported they had greater understanding and knowledge about financial products.

> 68.1 per cent felt more confident in dealing with banks.

> 87.6 per cent were more aware of how to get help with financial decision-making.

> 81.7 per cent were more aware of their rights and entitlements.

[2] This amount could be influenced by data from the Phase 3 participants who were able to have up to $1,000 in savings matched dollar-for-dollar and were therefore more likely to save $1,000 during the program to take advantage of the full matching capacity.

Effects on wellbeing and family

- 92.8 per cent reported that achieving their goals increased their self-esteem.
- 89 per cent reported that the education product had a positive effect on their own or their child's education experience.
- 81.3 per cent have encouraged family members, including children, to save.
- 67.7 per cent of participants were less stressed about the future.
- 71.1 per cent were more confident in other aspects of their lives.
- 82.5 per cent enjoyed the opportunity to meet new people.

PARTICIPANTS WHO WITHDREW FROM SAVER PLUS

Participants who withdrew early from the program improved their saving behaviour, although to a lesser extent than those who completed the program. Most of the participants who withdrew from the program did so because financial hardship limited their capacity to save. There were positive trends towards increased financial capability and wellbeing among all participants, but those who completed the program generally scored higher across most indicators, especially saving.

Those who withdrew from the program were more likely never to have been able to save before enrolling in Saver Plus and had the lowest amounts of savings, with a third having less than $100. They were also far less likely to have the propensity to save for the long term than those who completed the program. On average, those who withdrew early from the program saved approximately $200 less than those who completed it. Nearly half the participants who withdrew were able to increase their total savings and assets, but to a lesser extent than those who completed the program.

Those who withdrew were more likely to have experienced increased debt levels during the previous 12 months and there was a greater proportion who owed money to family and friends than those who completed the program. Although most of those who withdrew early generally felt they were better able to make ends meet due to their experience in the program, they were less likely to have money left over before next pay day than those who did complete the program.

The participants who withdrew from the program still gained valuable skills and adopted positive behaviours, such as using a budget more often than before, being able to plan ahead, and knowing where to go to get help with financial decisions. These topics were covered in the MoneyMinded workshops and those who withdrew after completing one or more of the workshops clearly benefited from the education. Importantly, they felt they had more control over their finances because of their experience in the program.

1.0 INTRODUCTION

Saver Plus is a matched savings and financial education program which aims to assist individuals and families on low incomes to develop a savings habit and reach a financial goal. Saver Plus was developed by ANZ and the Brotherhood of St Laurence and its first phase of delivery was 2003 to 2004. By the completion of Phase 4 on 30 June 2011, over 7,000 individuals had successfully completed the Saver Plus program. This makes the program one of the largest matched savings programs in the world. For comparison, EARN, considered to be one of five major matched savings programs in the United States, the birthplace of matched savings programs, has had 3,800 participants since 2001 (Montauk & Chiem 2012).

Saver Plus combines dollar-for-dollar matched savings (up to $500) with financial education and support from a community organisation. The program operates through a partnership model, with funding from ANZ and the Australian Government and delivery by a range of community organisations across Australia.

This report presents the results of the evaluation of Phase 4 of Saver Plus – 1 July 2009 to 30 June 2011. During this period, 6,625 participants were recruited to program. At the time of this analysis (17 May 2012), 83 per cent (5,486) of these people had completed the program; 17 per cent (1,120) had withdrawn before completing the program[3]; and 19 people were still current (not yet having claimed matching funds).

Evaluations of Phases 1–3, in addition to longitudinal research of past participants, have provided a solid foundation for the Phase 4 research. The evaluations have consistently shown that Saver Plus has been successful in supporting participants to achieve their savings goals, improve their financial knowledge and capabilities, and increase their level of wellbeing.

This report includes details of the demographics of a sample of Saver Plus participants from Phase 4, their saving behaviour prior, during and following participation in Saver Plus, and a comparison with those participants who did not complete the program. This study aimed to assess the impact of the program on participants' financial skills, knowledge and saving behaviour and their lives and families.

[3] Not all the participants who enrolled between 1 July 2009 and 30 June 2011 completed during this period; similarly, not all the people who withdrew during this period commenced in this time period.

2.0 INTERNATIONAL DEVELOPMENTS IN MATCHED SAVINGS PROGRAMS

In the early 1990s, Michael Sherraden (1991) developed the idea of matched savings programs with the underpinning belief that if given the right environment and incentives, low-income people can and do save.

Saver Plus is based on the philosophy of providing mechanisms and infrastructure to assist those on low incomes to build savings and assets. In the early 1990s, Michael Sherraden (1991) developed the idea of matched savings programs with the underpinning belief that if given the right environment and incentives, low-income people can and do save. Sherraden noted that there were many incentives provided for middle to high-income earners to save and acquire assets, but low-income earners are excluded from these benefits. Sherraden, along with other similar-minded advocates in the United States, worked tirelessly to take the concept to a pilot, The American Dream Demonstration, which resulted in legislation in the United States to embed matched savings programs into policy.

Saver Plus has retained the principles of Sherraden's concept and adapted the operations to suit the Australian context. Saver Plus has become the longest running and largest single-matched savings program in the world. The sustainability of the program demonstrates its effectiveness in increasing financial inclusion in Australia. Since Saver Plus began, thousands of low-income earners have reached their savings goals and continued to save years after completing the program (Russell, Wall & Doan 2011).

North America

In the United States, Individual Development Accounts (IDA) programs were first developed in the 1990s and they have grown in number following the establishment of the Assets for Independence (AFI) Act in 1998. This Act provided government funding and a legislative framework to allow community organisations to offer IDA programs to low-income people. To date, over 50,000 individuals have participated.

There has been extensive research on IDA programs since their inception. Most studies show that participants retain not only financial benefits but also personal and social benefits (Loibl et al. 2010). Loibl et al. (2010) explored the extent to which past participants achieved financial stability. They found that those who completed the programs were more likely to have higher levels of savings, a greater range of bank accounts and/or a mortgage than those who dropped out. However, those who dropped out still managed to save half as much as a graduate (Loibl et al. 2010).

In developing countries there is growing awareness of the value of savings in alleviating entrenched poverty.

Grinstead et al. (2011) compared savings outcomes of IDA participants who did reach their savings goals with those who did not. The study found that a higher attendance at financial education workshops increased the chances of participants meeting their savings goal. Even so, the participants who did not meet their goal still acquired saving skills. The research found that the education component of IDA programs was a significant factor in successful saving (Grinstead et al. 2011).

There are mixed results in the research about the extent to which IDAs have increased participants' overall household financial assets. A longitudinal study of participants involved in the American Dream Demonstration, which ran from 1997 to 2001, shows that program participation had significantly increased the asset wealth of a household (Huang 2010). However, a review of research conducted on IDA programs by Richards and Thyer (2011) found that the studies to date have provided little confirmation of longer term improvement in the overall wealth and life choices of participants and have shown that low-income participants can save small amounts only.

Mills and Amick (2010) considered whether a small amount of savings would impact on a low-income household's ability to deal with financial difficulties[4]. The findings suggest that having assets of up to $1,999 significantly reduced the number of multiple hardships experienced (such as difficulty paying bills for phone or utilities; missing a doctor's appointment; and/or inability to cover household expenses) and helps manage situations that would otherwise bring hardship (Mills & Amick 2010). Having some savings, even small, provides a buffer against situations that might cause hardship and is particularly important to low-income families, who often have greater variability in income. Mills and Amick (2010) also found that those able to save were more likely to do so and still meet all regular living expenses.

[4] This study measured hardship using a set of eight indicators – meeting living expenses, paying utility bills, having utilities turned off, phone disconnection, missed rent or mortgage payment, insufficient funds for a doctor's appointment, insufficient funds for a dental appointment and food insecurity.

2.0 INTERNATIONAL DEVELOPMENTS IN MATCHED SAVINGS PROGRAMS

The United Kingdom

The United Kingdom was at the forefront of 'asset-based welfare' with the development of Saving Gateway and the Child Trust Fund. Saving Gateway, a government-sponsored program, was successful in encouraging people on low incomes to save and increase their sense of control over their lives (Kempson, McKay & Collard 2005). The Child Trust Fund (CTF) was a 'long-term tax-free savings account for children born between 1 September 2002 and 2 January 2011', with the government providing a minimum of £250 (means tested) at birth and the same amount at age seven (Directgov n.d.). Both programs were discontinued in 2010 as a budgetary measure directed by the Liberal Democrats (Prabhakar 2009).

In the United Kingdom, the government has also supported savings by providing a tax-free threshold on savings accounts under schemes such as Personal Equity Plans (PEPs) and Tax Exempt Special Savings Accounts (TESSAs), both of which were replaced in 1999 by the Individual Savings Accounts (ISA). ISAs are tax-free savings account with a cash and shares option, which allows people to save up to £5,340 in cash, or £10,680 in shares annually and not be taxed on the interest they receive. The accounts are available through a wide range of financial institutions and are aimed at improving the level of national savings.

A Junior ISA was launched in October 2011 as a replacement for the CTF. It is a tax-free savings account for children up to the age of 18, but does not involve any payments from the government. There is some scepticism that accounts will not be taken up because they do not involve a component of matched savings (Insley & King 2011). The latest report indicates that after five months after the product launch, 72,000 accounts have been open, however they were expecting many more (Shropshire Star 2012).

Developing countries

In developing countries there is growing awareness of the value of savings in alleviating entrenched poverty. As with anti-poverty measures in industrialised countries, there is an increasing emphasis on improving the ability of individuals to develop the skills in financial management that will enable them not only to increase their income, but also to accumulate wealth and plan for the future (New America Foundation 2011). Conditional Cash Transfers (CCTs) are social policy programs that link financial payments with the requirement that recipients do something in return, such as immunisation, and/or ensuring their children attend school. There is growing interest in expanding CCTs to include access to payments via a savings account, helping to facilitate financial inclusion and independence. Developments in technology allowing mobile phone banking are making this increasingly possible (New America Foundation 2011).

In developing countries such as those in South America, Africa and Asia, CCT programs have been successful in increasing financial inclusion because participants use bank accounts as the method of providing access to cash. Recently there has been a growing number of matched savings programs linked to the CCTs, with specially designed savings products and tailored education programs. These innovations are being viewed as the next step in increasing financial inclusion and providing tools for building assets by creating a savings habit (New America Foundation 2011).

Having some savings helps low-income people cope with financial shocks (Bodsworth 2011; Corrie 2011). However, low-income families face particular financial challenges that impact on their ability to save. While the majority of low-income individuals in Australia have a bank account, many lack the confidence and knowledge to approach banks and find appropriate accounts or credit products that suit their needs. While most banks offer a range of products with low or no fees, individuals need to have a certain level of awareness, knowledge and confidence in order to navigate the range of products available.

Barriers to saving for low-income individuals are environmental and individual. Low-income individuals often believe that, for them, saving is unaffordable and their limited income is only adequate to make ends meet at best (Finney & Davies 2011). There is also the perception that saving is only worthwhile if large amounts can be saved. An interesting finding from the Finney and Davies (2011) study suggests that prominent barriers to saving were negative perceptions about saving and being a 'saver'. Lack of role models, and saving not being a social norm is an important factor in discouraging individuals to save (Finney & Davies 2011). This is one of the most difficult barriers to overcome.

While studies have found that low-income families are adept at budgeting, they find it difficult to manage when there is an unexpected expense or financial challenge due to their lack of savings and inability to access affordable credit (Corrie 2011). They are also more vulnerable to financial hardship and constantly live in a state of 'precariousness' due to their lack of resources (Bodsworth 2011, p. 8)

Studies have shown that even saving small amounts can help low-income families cope with financial challenges. A study by Gertler, Martinez and Codina-Rubio (2012) of families in Mexico on the Cash Transfer Program Oportunidades demonstrates the ability of low-income families to hold back some of their income for future use. The research showed that low-income individuals were able to set aside some of their cash, invested in assets and activities to benefit their longer term financial situation and the improvement in quality of life was sustained after they completed the program.

Other research has confirmed that the act of saving also provides a sense of control and confidence in making other financial decisions (Corrie 2011). Corrie studied the outcomes for participants in Good Shepherd Microfinance programs: two low-interest loan programs; and the Adds UP matched savings program. She concluded that while the needs of participants are complex and microfinance programs need to be tailored to suit the participants, the impact of having access to financial products, information, and the positive experience of saving continued to build over time so that participants were not only able to cope better with financial difficulty as a result of savings, but were also more confident in doing so (Corrie 2011).

Rabinovich and Webley (2007) investigated the behaviours that impact on saving and found that successful savers were able to plan ahead, use automatic deductions for savings and quarantined savings in a separate account. The development of one-to-one counselling that acknowledges the differences in individuals' approach to finances is seen as an effective way of assisting people to overcome limiting behaviours (Loibl et al. 2010).

The automatic transfer to a separate account is a typical example of a self-imposed rule that reduces the psychological cost of restricting consumption by avoiding frequent decision making (Rabinovich & Webley 2007).

While studies have found that low-income families are adept at budgeting, they find it difficult to manage when there is an unexpected expense or financial challenge due to their lack of savings and inability to access affordable credit.

Key to improving financial capability is to enable the development of a savings habit. A 'habit' reduces the effort involved in understanding and applying financial information and establishes itself as routine behaviour. In other words, the development of a habit or a routine behaviour gives some sense of security when financial shocks occur.

A savings habit also has the potential to override the propensity to over-spend. Saving becomes the automatic behaviour and counteracts less effective financial decision-making. Loibl, Kraybill and DeMay's (2011) study of participants in IDA programs applied theories of habit formation to savings behaviour and found that the development of a saving habit was one of the most important factors in sustaining changes in financial behaviour that enabled continued saving and improvement in financial situations. By forming a habit, the damaging consequences of lack of self-control can be overcome by reducing the need for conscious decision-making, and saving becomes an automatic response (Loibl, Kraybill & DeMay 2011).

Habit formation is influenced by context and setting, in particular personal routines and environment and the opportunity for frequent repetition (Verplanken & Wood 2006). Loibl, Kraybill and DeMay (2011) found that the IDA programs were successful in creating effective savings habits as they combined a range of key habit-forming mechanisms.

While saving is a behaviour that some develop in childhood and may be a partially inherited disposition (Webley & Nyhus 2006), it can also be learned. Loibl, Kraybill and DeMay (2010) found when studying the outcomes for IDA participants that a person's disposition was one of the most significant factors in influencing saving behaviour. This suggests the need for financial literacy programs to take more account of individual goals and needs. In particular, the research identified the ability to cope with stress and the propensity to plan for the future as key traits in successful savers and that IDA programs need to focus on building personal skills.

The presence of children in a family is a motivating factor for saving. Kempson and Finney (2009) identified three categories of behaviour: 'rainy day' savers, who save for a safety net and are committed and habitual savers; instrumental or goal-oriented savers, who save for a specific target or short-term expense; and non-savers. They concluded that regardless of income, people tend to approach saving based on a 'deep-seated disposition', but they found evidence that suggests people could improve their level of saving with the right incentives (Kempson & Finney 2009, p. 1).

This report presents the findings of a sample of Saver Plus participants who were enrolled, that is they completed or withdrew from the program, during the two years 1 July 2009 to 30 June 2011.

In 2009 the Australian Government committed over $13 million dollars to support the expansion of the program from 20 sites in 2009 to 60 sites across Australia by July 2011. Ten community organisations delivered Saver Plus in this period. Appendix 1 shows the community organisations and the site locations in which they delivered the program.

As part of the Phase 4 expansion of Saver Plus, a Saver Plus National Office (SPNO) was established. The role of the SPNO includes the following functions:

- database/technology support
- training and professional development for Saver Plus Workers
- communications and marketing
- development of materials
- finance
- recruitment support
- process auditing
- policy guidance
- monitoring and review of outcomes.

The SPNO ensures the program is delivered efficiently and consistently across all sites, upholding the principles and quality practices embedded in the Saver Plus design.

4.1 PROGRAM DESIGN

During the Phase 4 period, individuals were required to meet all the following criteria to join Saver Plus:

- have a Centrelink Health Care Card or a Pensioner Concession Card
- be at least 18 years old
- have some regular income from work (themselves or their partner)
- be a parent or guardian of a child at school or be attending or returning to vocational education themselves
- live, work, study or have a child at school in an area where the Saver Plus program is delivered.

Upon enrolling in the program, participants, with the support of a Saver Plus Worker, nominate a savings goal to be achieved within a 10-month period. The savings goal is based on an assessment of their financial situation and is a set amount that could be saved regularly in order to achieve their goal.

The program includes 10 hours (four workshops) of financial education aimed at building participants' skills, knowledge and confidence in managing money. The workshops use modules from ANZ's MoneyMinded[5] program. Table 1 shows the workshops and topics covered in the financial education component of Saver Plus.

[5] MoneyMinded is a financial education program developed by ANZ and delivered in Australia, New Zealand and across the Asia–Pacific region in partnership with community organisations. The complete MoneyMinded resource comprises of eight topics and 19 workshops, which can be tailored to meet the needs of the target audience.

Participants are also supported by the Saver Plus Worker from the delivery organisation. The Saver Plus Worker is available to assist participants throughout their enrolment if they need additional support, or experience events that affect their participation.

When participants meet their savings goal, ANZ provides the dollar-for-dollar matched amount, up to $500. The matched funds can be used towards a purchase for the participant's child's (or their own) education costs, such as computers, uniforms, books and sports equipment.

Account structure

The savings product used for the Saver Plus program is the ANZ Progress Saver account. The ANZ Progress Saver account is a savings account that participants can maintain beyond the program. The account features include[6]:

> unlimited number of deposits – with a bonus tiered interest rate calculated daily and paid monthly when one deposit of $10 or more is made in a month and no withdrawals or debits are made in that month

> flexible banking – allows ANZ Phone Banking, ATM, ANZ Internet Banking and branch access; the account also allows direct deposits from salary or pension income and regular transfers from other accounts

> no monthly account service fee

> no minimum opening or ongoing balance required is $0 for Saver Plus participants

> one free withdrawal per month and free ANZ Internet Banking transactions (but a withdrawal prevents a customer from qualifying for bonus interest in that month)

> a savings graph on each statement to help the account holder track savings progress.

TABLE 1:
MoneyMinded for Saver Plus package

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

[6] Correct as at 16 November 2012. Visit www.anz.com for more information.

5.0 METHODOLOGY

A sample of participants who completed or withdrew from Saver Plus between 1 July 2009 and 30 June 2011 were surveyed to gather information about their saving and general money management behaviour before the program, during the program and upon program completion (or withdrawal). The survey also gathered data on the impacts the program has had on their lives and their families.

A Computer Aided Telephone Interview (CATI) method was employed to conduct the survey[7]. The survey was conducted between September and December 2011. Each telephone interview took approximately 20 minutes.

Only participants who had given their consent to be interviewed were included in the sample. The sample included participants who had completed the program, and those who had withdrawn from the program without receiving the matched funds.

The sample included a total of 1,201 participants, 1,029 (85.7%) of whom had completed Saver Plus and 172 (14.3%) who had not.

[7] The survey was conducted by the Hunter Valley Research Foundation.

6.0 RESULTS

This section gives the results of the telephone interviews conducted with participants of Saver Plus in Phase 4. The results will be discussed using the financial capability framework (Atkinson et al. 2007) to show the impact of the program on participants' abilities to 1) manage money 2) plan ahead 3) choose products and 4) stay informed. This framework is widely used and serves as a useful tool for categorising the various knowledge, skills, behaviours and attitudes that comprise financial capability. We will also include selected indicators of wellbeing to illustrate the impact the program had on the lives of participants and their families.

6.1 PARTICIPANTS

The sample of participants included in the analysis had the following characteristics:

> The participants were most likely to come from households with one adult (46.9%); 37.7 per cent of participants had two adults in the household.

> More than half the respondents were sole parents (59.1%) and 28.2 per cent were part of a couple with children; only 3.6 per cent of participants were single with no dependent children and 5 per cent were living at home with a parent(s).

> Participants were most likely to be renting a home (43.8%) or paying a mortgage on the home they lived in (37.3%); a greater proportion of those who did not complete the program (59.6%) rented their home than those who did complete.

> Respondents were most likely to be employed part-time (37.3%); 12.2 per cent were in full-time employment and 17.7 per cent worked on a casual basis.

> The majority of all participants had a household income in the range of $600 to $999 per week. One-third of households earned between $400 and $599 per week. Those who did not complete Saver Plus were more likely to have lower household incomes ($400–$599 per week) than those who did complete the program.

> The majority of participants (63.2%) received most of their income from paid employment; however, those who did not complete the program were more likely to receive most of their income from government benefits than those who did complete the program.

> 33.6 per cent of participants experienced an increase in income over the previous 12 months, while 17.5 per cent experienced a decrease in income during this period. The participants who did not complete the program were more likely to have experienced a decrease in income than those who did complete the program.

6.2 SAVER PLUS SUCCESS RATE

Of participants in the Phase 4 sample, 83.2 per cent successfully completed the program and received matched funds from ANZ. Table 2 shows the success rates over the four phases of the program since its inception. Considering the program has been significantly scaled up from 248 participants recruited across three sites in Phase 1 to over 6,000 participants recruited across 60 sites in Phase 4, the decrease in the proportion of people who complete the program is minimal.

TABLE 2:
Success rate for Saver Plus across the four phases

COMPLETED SAVER PLUS PROGRAM AND RECEIVED MATCHED FUNDS	%
Phase 1	92.0
Phase 2	95.0
Phase 3	82.7
Phase 4	83.2

Similar to the previous three phases of Saver Plus, the maximum allowable matched amount became the most common goal for participants and the most commonly saved amount. This is also consistent with research findings of international matched savings program (Han & Sherraden 2009; Kempson, McKay & Collard 2005). Table 3 shows that 84 per cent of participants who completed the program aimed to save $500 to reach the maximum matched amount within ten months. There was little difference between those who did not complete the program and those who did.

TABLE 3:
Comparison of savings goal of program completers and non-completers

SAVINGS GOAL	%	
	Completers	Non-completers
Less than $500	1.5	0.0
$500	84.0	85.7
More than $500[8]	14.5	14.3

Most of the participants in the sample saved more than their goal while in the program. The average amount saved by all participants was $598; the amount saved by non-completers, however, was less at $408.

TABLE 4:
Amount saved while in the program

	Average amount saved while in the program
All	$598
Completers	$625
Non-completers	$408

[8] The proportion of participants who saved over $500 could include some from Phase 3 when the maximum matched amount was $1,000.

6.3 MANAGING MONEY

Managing Money is one of the four domains of financial capability identified by Atkinson et al. (2007). Included in this domain are behaviours such as saving, managing credit and debt, keeping track of finances, and making ends meet. The domain also includes attitudes towards saving, spending and credit.

Saving behaviour

Before enrolling in Saver Plus, 37.5 per cent of participants were more likely to save odd amounts when they could. However, almost one-third of respondents who completed Saver Plus were never able to save before the program (28.8%). Half the participants who did not complete the program were never able to save before enrolling in Saver Plus.

TABLE 5:
Comparison of saving behaviour of those who completed Saver Plus and non-completers

SAVINGS GOAL		%
	Completers	Non-completers
A set amount regularly	20.1	13.4
What was over after expenses on a regular basis	13.6	7.0
Odd amounts when you could	37.5	29.6
Never able to save before Saver Plus	28.8	50.0

Overall, 87 per cent of participants who completed Saver Plus during this phase were still saving the same amount or more at the time of the survey[9] as they did while in the program. The result for those who did not complete is also high – 84 per cent were still saving the same amount or more than when they were enrolled in Saver Plus. Eleven per cent more participants who completed the program were able to increase their deposit amounts than those who did not complete.

FIGURE 1:
Savings deposits for participants who completed Saver Plus

MONTHLY SAVINGS DEPOSITS (COMPLETED SAVER PLUS)

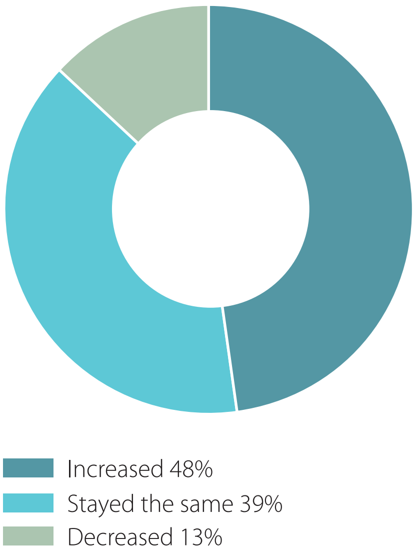
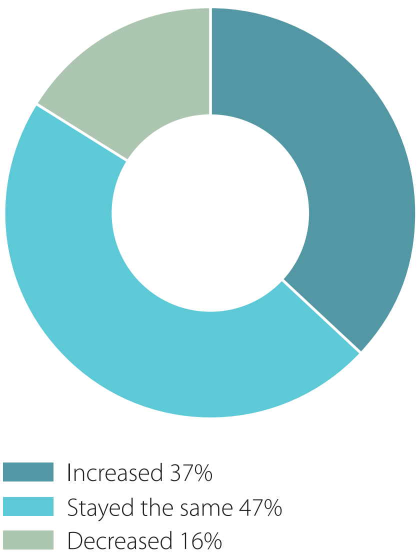


FIGURE 2:
Savings deposits for those who did not complete Saver Plus

MONTHLY SAVINGS DEPOSITS (DID NOT COMPLETE SAVER PLUS)



[9] The survey was conducted with participants who had completed the program less than 12 months prior.

One of the most important factors in assisting people to save regularly is use of automated facilities. Having saving deposits automatically transferred into a savings account removes the 'human' factors of forgetfulness, lack of time and/or motivation to physically take cash to the bank to make the deposits and thereby increases the chances of successful saving. Across the program phases, there has been a distinct reduction in the proportion of participants who make their savings deposits by taking cash to the bank. In Phase 4 only 15.5 per cent of participants chose to make their deposits in this way compared to approximately 50 per cent in Phase 1.

TABLE 6:
Comparison of savings deposits methods between phases

METHOD OF MAKING SAVINGS DEPOSITS	%			
	Phase 1	Phase 2	Phase 3	Phase 4
Cash deposits	51.1	58.2	40.0	15.5
Autopay	15.6	10.0	10.0	14.2
Centrepay	6.8	3.2	2.8	-
Transfer from another account	16.2	17.6	30.0	40.4
Direct debit	-	10.8	16.2	26.8
Save cash at home	-	-	-	1.1
Other	10.3	0.2	1.0	2.0

Before Saver Plus, 20.1 per cent of participants said they saved a set amount regularly and after Saver Plus, 61.8 per cent were able to save a set amount regularly.

The proportion of participants who completed the program, and reported saving a set amount regularly post-program, increased significantly from before the program. Before Saver Plus, 20.1 per cent of participants said they saved a set amount regularly and after Saver Plus, 61.8 per cent were able to save a set amount regularly. Conversely, the proportion of those who have been unable to save significantly decreased from 28.8 per cent before Saver Plus to only 6.7 per cent after the program.

Participants were asked if the value of their savings and assets had changed since participating in Saver Plus. There was a significant difference between those who completed the program and those who did not. Seventy per cent of those who completed the program reported an increase in the value of their savings and assets compared with 43.8 per cent of those who did not complete the program reporting an increase.

TABLE 7:
Comparison of saving behaviour of pre and post Saver Plus

SAVINGS GOAL	Before (%)	After (%)
A set amount regularly	20.1	61.8
Save what is left over after expenses on a regular basis	13.6	13.4
Save odd amounts when you can	37.5	18.1
Unable to save before/ after Saver Plus	28.8	6.7

TABLE 8:
Changes in total savings and asset levels since participating in Saver Plus

VALUE OF SAVINGS AND ASSETS	All (%)	Completers (%)	Non-completers (%)
Increased	66.5	70.0	43.8
Stayed the same	26.7	24.0	42.8
Decreased	6.8	6.0	13.4

Savings goals post Saver Plus

The most common goal that participants were saving for post Saver Plus was a holiday, which is consistent with 60.6 per cent of the general population (Melbourne Institute 2012). The second highest priority for saving for Saver Plus participants was home renovations or appliances. In general, 53.2 per cent of Australians save for a 'rainy day' and 46.2 per cent save to repay debt or bills (Melbourne Institute 2012).

TABLE 9:
Savings goals post Saver Plus

SAVINGS GOAL	%
Holiday	32.1
Home renovations and appliances	16.8
Education expenses (books, uniform, camps)	13.9
Car purchase and maintenance	11.2
Christmas	10.7
Saving for a 'rainy day'	4.3
Weddings and social occasions	2.4
Bills/repayments	1.9
Braces for children	1.1
Other	5.6

Post Saver Plus, participants were more likely to cut back on their spending in order to save. Of all participants, 73.4 per cent reported reducing their spending in order to save. The same trend was apparent for non-completers and those that completed alike.

TABLE 10:
Measures taken to achieve savings goals

CUTTING BACK TO SAVE	All	Completers	Non-completers
			%
Agree	73.4	75.8	58.7
Disagree	25.3	23.7	34.9
Don't know	1.3	0.5	6.4

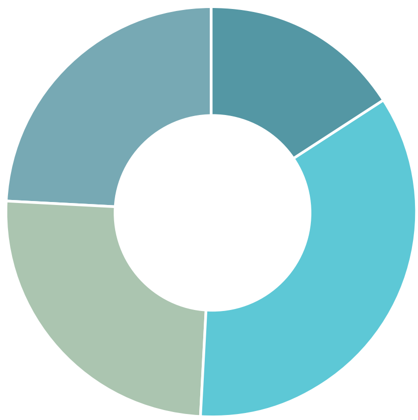
Inclination to save

An individual's actual saving behaviour is a different variable from their inclination or attitude towards saving. A 'saving-inclined' (Finney & Davies 2011) individual may have the mindset or the propensity to save, has most likely saved in the past, but may not have sufficient income to save. It was important to consider participants' inclination to save, as well as their reported saving behaviour.

Those who completed Saver Plus and non-completers reported different attitudes to saving. While both groups were most likely to save for things they wanted to buy – that is, they were goal-oriented savers (Kempson & Finney 2009), the participants who successfully completed Saver Plus were more likely to have the propensity to put money away for the long term than those who did not complete.

FIGURE 3:
Participants' approach to saving following Saver Plus

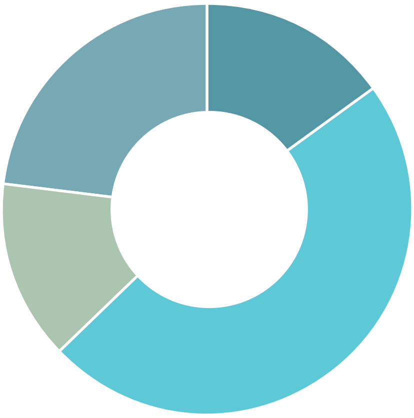
APPROACH TO SAVING (COMPLETED SAVER PLUS)



You tend to put money away for no particular reason 16%
You save up to buy things you want or need 35%
You tend to put money away for the long term 25%
You save for a 'rainy day' 24%

FIGURE 4:
Non-completing participants' approach to saving

APPROACH TO SAVING (DIDN'T COMPLETE SAVER PLUS)

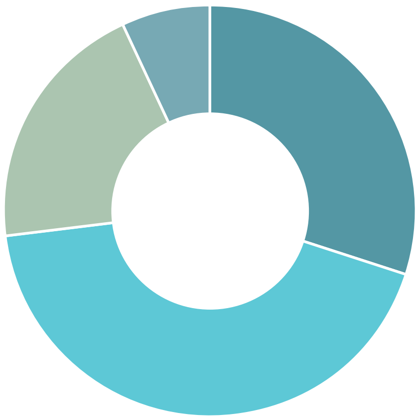


- You tend to put money away for no particular reason 15%
- You save up to buy things you want or need 48%
- You tend to put money away for the long term 14%
- You save for a 'rainy day' 23%

The research literature reveals that the financial habits acquired when young are likely to be retained when older, provided an individual has the capacity to maintain those behaviours (Webley & Nyhus 2006). To further explore the saving attitudes of participants, we asked if they were encouraged to save when growing up. Figure 5 shows a large proportion (73.8%) of respondents were encouraged to save when they were children. This suggests that the mechanisms and encouragement provided by Saver Plus have been successful in reigniting the natural propensity of the participants to start saving again.

FIGURE 5:
Saving behaviour experienced when growing up

PARTICIPANTS WHO WERE ENCOURAGED TO SAVE WHEN THEY WERE GROWING UP

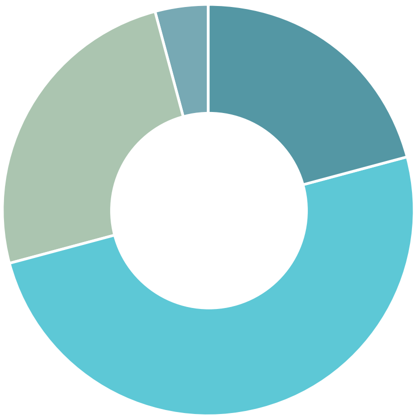


- Strongly agree 30%
- Agree 43%
- Disagree 20%
- Strongly disagree 7%

Similarly, the majority (71%) of all participants identified as being a 'saver' rather than a spender. Having the mindset of being a saver significantly increases the chances of actually becoming a successful saver.

FIGURE 6:
A saver or a spender

PARTICIPANTS WHO IDENTIFIED THEMSELVES AS A 'SAVER'



Making ends meet

Making ends meet is a key component of the Managing Money domain of financial capability. It involves behaviour such as budgeting and managing expenses effectively. Saver Plus has provided participants with the knowledge and skills to better manage their money so they can make ends meet. Of all participants, 76.5 per cent agreed that because of Saver Plus they are now better able to make ends meet.

TABLE 11:
Making ends meet

SAVER PLUS IMPACT ON MAKING ENDS MEET %

	All	Completers	Non-completers
Agree	76.5	78.5	63.6
Disagree	21.8	20.2	31.7
Don't know	1.7	1.3	4.7

A strong indicator of being able to make ends meet is having money left over by the next pay day. Of all participants, 31.8 per cent reported always having money left over, but only 16.9 per cent of those who did not complete the program could always rely on having money left over before their next pay day, and 14.5 per cent never had any money left over.

TABLE 12:
Money left over before next pay day

%

	All	Completers	Non-completers
Always	31.8	33.3	16.9
More often than not	28.8	28.6	26.6
Sometimes	25.4	24.8	26.3
Hardly ever	8.1	8.2	15.7
Never	5.9	5.1	14.5

Of all participants, 76.5 per cent agreed that because of Saver Plus they are now better able to make ends meet.

Budgeting

Budgeting is an important component of the Managing Money domain of financial capability (Atkinson et al. 2007). Having an effective budget that includes regular and irregular expenses can help households make ends meet and smooth income and expenditure over the budget life cycle. Many low-income households suffer from 'feast and famine' cycles when the first few days after pay day are provided for, but by next pay day there is insufficient money left over and households struggle to make ends meet. Low-income households often use the beginning of the budget cycle to meet expenses for children's education, bills and other necessities, which often leaves little left by the end of the cycle.

There was a similar improvement in the use of a budget between those who completed the program and those who did not, with over a third saying they used a budget more often.

TABLE 13:
Budgeting behaviour since Saver Plus

USE OF HOUSEHOLD BUDGET SINCE SAVER PLUS %

	All	Completers	Non-completers
More often	38.6	39.3	34.9
About the same	53.0	52.7	55.2
Less often	4.0	3.9	4.7
Don't use a budget	4.4	4.1	5.2

Control over finances

Having control over household finances reduces stress, improves confidence and increases levels of wellbeing (ASIC 2011; Corrie 2011). The majority of participants (81.5%) felt they had more control over their finances because of Saver Plus. The proportion was about 20 per cent less for those who did not complete the program; however, 61.1 per cent of this group did feel they had more control over their finances due to their experience in Saver Plus.

TABLE 14:
Improved control over finances since Saver Plus

%

	All	Completers	Non-completers
Agree	81.5	84.8	61.9
Disagree	17.1	15.0	29.9
Don't know	1.4	0.2	8.2

6.4 PLANNING AHEAD

Planning ahead is important in maintaining financial stability. It can also give an individual a greater sense of having control over their financial lives if there is a plan in place to meet financial goals. It also includes having a financial plan for retirement and being aware of the value of superannuation.

Of all participants, 85.3 per cent agreed that Saver Plus has helped them plan ahead. Those who did not complete the program were more than 15 per cent less likely to report this.

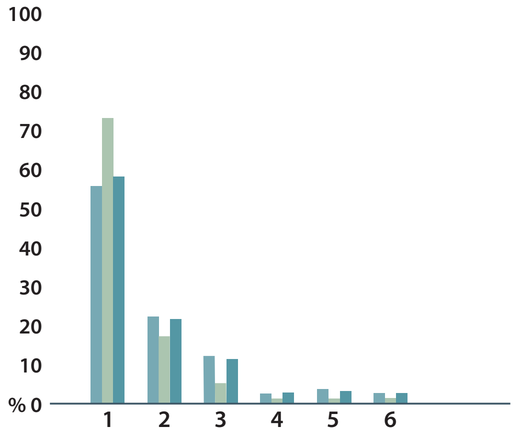
TABLE 15:
Improved ability to plan for the future since Saver Plus

IMPROVED ABILITY TO PLAN FOR THE FUTURE %

	All	Completers	Non-completers
Yes	85.3	87.1	68.6
No	14.7	12.9	26.7

FIGURE 7:
Planning saving and spending before Saver Plus

PLANNING AND SPENDING BEFORE SAVER PLUS



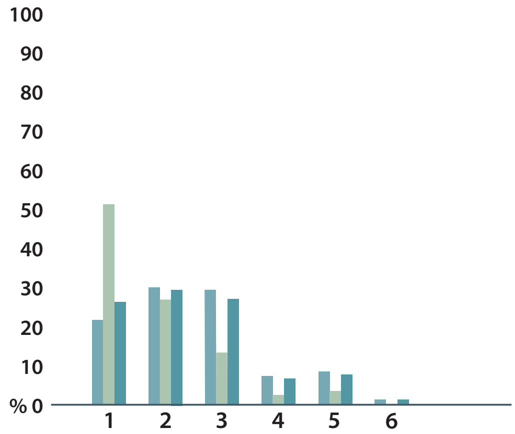
TIME PERIOD:
1. The next week or fortnight
2. The next few months
3. The next year
4. The next 2 to 4 years
5. The next 5 years or more
6. Don't know

Being able to plan for saving and spending ahead of time is an important component of financial capability. One of the aims of financial education is to encourage participants to increase the time frame in which they plan their saving and spending. As seen in Figure 7, before Saver Plus the majority of the participants (59.7%) planned their saving and spending over one or two weeks. A greater proportion of those who did not complete (75%) planned their saving and spending over only one or two weeks.

After Saver Plus, these time frames expanded for all participants, but particularly for those who completed Saver Plus. For those who completed the program, their planning time frame extended from one or two weeks to the next few months (30.7%) or the next year (30.3%). Of those who did not complete the program, 52.2 per cent still planned for a week or two weeks, but this was a reduction of 22.8 per cent.

FIGURE 8:
Planning saving and spending after Saver Plus

PLANNING SAVING AND SPENDING SINCE SAVER PLUS



TIME PERIOD:
1. The next week or fortnight
2. The next few months
3. The next year
4. The next 2 to 4 years
5. The next 5 years or more
6. Don't know

Coping with unexpected expenses

Of all participants, 27 per cent experienced an unexpected expense of approximately $3,000 or more during the previous 12-month period. The figures were similar for those who completed (26.5%) and those who did not complete (29.7%).

Table 16 shows that 77 per cent of respondents reported being better equipped to deal with unexpected expenses since participating in Saver Plus. Those who did not complete the program were less likely to agree than those who had completed that Saver Plus has helped them cope with unexpected expenses.

TABLE 16:
Better equipped to deal with unexpected expenses since Saver Plus

%

	All	Completers	Non-completers
Agree	77.0	79.2	64.7
Disagree	20.6	18.8	30.4
Don't know	2.4	2.0	4.9

Similarly, while all participants generally agreed that Saver Plus helped them to deal more effectively with financial problems, those who had not completed the program were less likely to agree.

TABLE 17:
Improved ability to deal with financial problems since Saver Plus

%

	All	Completers	Non-completers
Agree	84.0	86.4	69.4
Disagree	14.3	12.9	22.9
Don't know	1.7	0.7	7.7

6.5 CHOOSING PRODUCTS

Understanding and knowing how to choose appropriate financial products to suit individual needs is a measure of financial capability. The number and complexity of products and services have grown substantially over the last decade and it is important to choose the right products to make the most of income and savings. It is especially important to make effective decisions about the type of credit and investment products when needed. Inappropriate or expensive credit and high-risk investments products can be detrimental to an individual's financial wellbeing.

Of all participants, 81.2 per cent agreed that Saver Plus has helped them improve their knowledge of financial products and services. Even those who did not complete increased their knowledge about financial products from their experience in Saver Plus.

TABLE 18:
Improved knowledge of financial products since Saver Plus

%

	All	Completers	Non-completers
Agree	81.2	83.1	70.0
Disagree	17.6	16.4	24.6
Don't know	1.2	0.5	5.4

Participants felt more confident dealing with banks and other financial institutions after completing Saver Plus.

Use of financial products

Since Saver Plus, the majority of participants (83.5%) had retained their ANZ Progress Saver account and 60 per cent were still using it to save. Far fewer (32.3%) of those who did not complete the program were still using their ANZ Progress Saver account.

TABLE 19:
Use of ANZ Progress Saver account since Saver Plus

DO YOU STILL HAVE YOUR ANZ PROGRESS SAVER ACCOUNT? %

	All	Completers	Non-completers
Yes	83.5	84.8	76.6
No	16.5	15.2	23.4

ARE YOU STILL SAVING IN YOUR ANZ PROGRESS SAVER ACCOUNT? %

	All	Completers	Non-completers
Yes	60.0	64.1	32.3
No	40.0	35.9	67.7

Of all participants, 28.5 per cent had changed bank accounts to ones that better suited their needs after completing Saver Plus. The participants who changed bank accounts were more likely to choose an online savings account or a no fee/low fee account.

Confidence in dealing with banks

Of all participants, 68.1 per cent felt more confident in dealing with banks and other financial institutions after completing Saver Plus. Those who did not complete the program were less likely to feel confident in dealing with banks.

Consumer behaviour

Most of the participants (66.7%) agreed or strongly agreed that they became more careful when they shopped after participating in Saver Plus and spent more time comparing prices and value of products across stores to ensure they were getting the best deal. There was little difference between those who completed and those who did not complete the program.

TABLE 20:
Shopping behaviour since Saver Plus

SHOP AROUND MORE WHEN BUYING PRODUCTS OR SERVICES? %

	All	Completers	Non-completers
Agree	66.8	67.7	61.2
Disagree	32.3	31.9	34.5
Don't know	0.9	0.4	4.3

Knowing where to get help

A large proportion of participants (84.8%) reported being more aware of how to get help with financial decision-making than before they did Saver Plus. Of those who did not complete the program, 68.9 per cent also felt that they were more knowledgeable about where to get help with financial issues when needed.

TABLE 21:
Knowledge of financial services since Saver Plus

WHERE TO GET HELP WITH FINANCIAL DECISIONS %

	All	Completers	Non-completers
Agree	84.8	87.6	68.9
Disagree	13.6	11.8	25.3
Don't know	1.6	0.6	5.8

Knowing rights and entitlements

Participants found that Saver Plus helped them become aware of their rights and entitlements as citizens and consumers. Of all participants, 79.6 per cent reported being more aware of their rights and entitlements as a result of doing Saver Plus. Of those who did not complete the program, 66.2 per cent still found they learned more about their rights and entitlements.

TABLE 22:
Improved knowledge of rights and entitlements since Saver Plus

%

	All	Completers	Non-completers
Agree	79.6	81.7	66.5
Disagree	18.6	17.2	26.9
Don't know	1.8	1.1	6.6

6.6 STAYING INFORMED

Saver Plus participants were encouraged to pay attention to the general financial landscape to give context to their financial decision-making. After Saver Plus, over half the participants became more aware of offers and sales in shops (56.7%) and for utilities (59.2%). Of all participants, 49 per cent also monitored interest rates, while only a third (33.0%) paid more attention to the housing market. Taxation, the job market and superannuation changes were topics that fewer participants paid attention to, and may reflect that these topics lacked relevance to some participants who were not in, or seeking, employment.

TABLE 23:
Monitoring financial trends

WHICH OF THE FOLLOWING HAVE YOU KEPT MORE OF AN EYE ON SINCE PARTICIPATING IN SAVER PLUS? %

	Yes
The housing market	33.0
Interest rates	49.0
Taxation	32.6
The job market	33.9
Superannuation changes	24.3
Store sales for goods and services	56.7
Offers for utility products such as gas and electricity	59.2

Encouraging a new generation of children to save may help to improve the household saving rates in the future.

6.7 EFFECTS ON WELLBEING AND FAMILIES

Past evaluations of Saver Plus have revealed that participants have experienced many positive benefits, psychologically and socially. The evaluation of Phase 4 participants continues to reflect this.

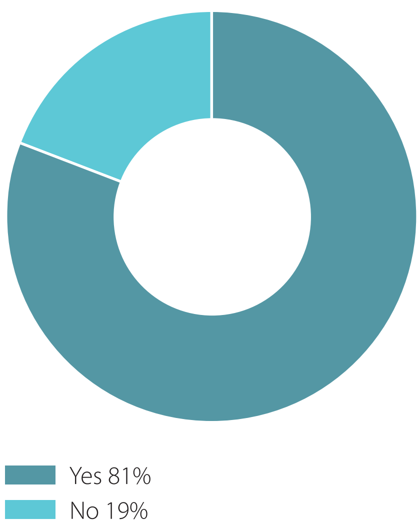
Sharing lessons learned with family and friends

There is consistent evidence from previous evaluations of Saver Plus, of the positive impacts experienced by the individual participant that also extend to other family members – especially children. This evaluation confirms this. Figure 9 shows that 81.3 per cent of all respondents reported their experience with Saver Plus has enabled them to encourage family members to save. This is an important benefit, with research suggesting that learning to save as a child is a predictor of saving behaviour as an adult. Even among those who did not complete the program, 71.3 per cent also encouraged other family members to save. Of all participants, 19 per cent have since opened bank accounts for their children; 30.9 per cent encourage their children to save some of the money they earn from doing chores; and some parents have actively set goals with their children. In light of the research which suggests that learning to save as a child is an important factor in predicting saving behaviour as an adult, this encouragement of children to save as a result of participating in Saver Plus will be a powerful mechanism for increasing household savings of future generations.

Of all participants, 71.3 per cent shared specific Saver Plus lessons and experiences with family and/or friends, and 46.3 per cent of participants have strongly recommended the program to others. Those who did not complete the program were less likely to share lessons with family and friends because most (56%) had withdrawn from the program before they commenced the MoneyMinded financial education component of the program.

FIGURE 9:
Impact of Saver Plus on family members

SINCE PARTICIPATING IN SAVER PLUS HAVE YOU ENCOURAGED YOUR FAMILY MEMBERS TO SAVE?

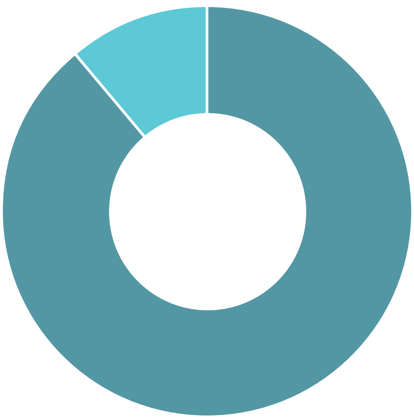


Impact of education product purchased

In the Saver Plus program, the participants aim to save for education costs for themselves or their children. For the majority of participants (89.1%), the education product saved for had positively influenced their own or their child's education experience. Table 24 shows the most commonly reported ways in which the product or service purchased with matched funds has helped.

FIGURE 10:
Impact of education product on education

DID THE EDUCATION PRODUCT YOU PURCHASED WITH YOUR MATCHED SAVINGS HAVE ANY EFFECT ON YOU, OR YOUR CHILD'S EDUCATION?



Yes 89%
No 11%

TABLE 24:
Most common impacts of education product purchased with matched funds

SAVINGS HELPED WITH	% Yes
Buying a computer assisted with homework	50.4
Paid for school supplies/music instrument/excursion costs	26.0
Generally relieved financial stress and improved family wellbeing	12.7
Assisted generally with education progression	10.9

Other indicators of wellbeing: personal, social and connectedness

Past evaluations have qualitatively captured some of the positive benefits experienced by participants of Saver Plus. Using the themes identified in the past qualitative work, we were able to quantify how prevalent these benefits were among the participants in Phase 4. Since taking part in Saver Plus, participants were generally less stressed (67.7%) and more confident (71.1%). Nearly all participants (92.8%) felt better about themselves as a result of achieving their Saver Plus goal. Most participants also enjoyed the opportunity to meet and mix with new people.

TABLE 25:
Social impacts of Saver Plus

IMPACT OF SAVER PLUS	% Disagree	% Agree
Feel less stressed about the future	32.3	67.7
More confident in other aspects of your life	28.3	71.1
Saver Plus gave you the opportunity to meet new people	17.5	82.5
Enjoyed the opportunity of mixing with other people	27.5	72.5
Feel more connected with your community	42.4	57.6
Achieving your Saver Plus goal helped you to feel better about yourself	7.2	92.8

7.0 PROFILE OF THOSE WHO DID NOT COMPLETE SAVER PLUS

Of the participants recruited in Phase 4, 1,120 withdrew from the program before completion and did not receive matching funds. Those who left the program before completing were most likely (81.4%) to have left between one and six months after enrolling.

Of the people who had withdrawn from Saver Plus during Phase 4, 172 took part in the telephone interviews. The most common reason for not completing was financial difficulties preventing them from saving. Table 26 lists the other most common reasons given for not completing the program.

TABLE 26:
Reasons given for not completing the program

REASONS GIVEN	%
Financial difficulty – couldn't afford to save	48.5
Attendance conflicted with family or work commitments	26.3
Unexpected expense	8.2
Illness	8.2
Moved house	4.7
Lack of discipline	2.3
Wasn't the right program	1.8

Participants who withdrew from the program were more likely to be renting their home rather than paying a mortgage compared to those who completed. They were also, on average, receiving less income than those who completed and were more likely to receive most income from government benefits. The participants who did not complete the program were also more likely to have experienced a decrease in income than those who did complete.

Those who withdrew were more likely never to have been able to save before enrolling in Saver Plus than those who did complete. They were also far less likely to have the propensity to save for the long term than those who did complete. However, since withdrawing, the majority had managed to maintain or increase their monthly savings deposits and 43.8 per cent were also able to increase their total savings and assets.

The participants who withdrew without completing were more likely to have experienced increased debt levels during the previous 12 months and also were more likely to owe money to family and friends.

There were positive trends in behaviour change among those who withdrew from the program. Over a third have used a budget more often than before the program; most feel more in control of their finances; nearly 70 per cent have improved their ability to plan ahead and are more aware of how to get help with finances. Most are more likely to be able to make ends meet because of their experience in Saver Plus.

Just over half the participants (56%) who had withdrawn from the program had not completed any of the MoneyMinded education workshops. There were 42.4 per cent who completed Workshop 1; 39 per cent completed Workshop 2; 35.5 per cent completed Workshop 3; and 34.1 per cent completed Workshop 4.

TABLE 27 :
Proportion of total number of participants who withdrew who completed MoneyMinded workshops

%

Workshop 1	Workshop 2	Workshop 3	Workshop 4
42.4	39.0	35.5	34.1

Of all the participants who started the education component, most completed all four workshops (74%). Only 8.9 per cent withdrew after completing only one workshop.

TABLE 28 :
Number of workshops completed by participants who started MoneyMinded[10]

%

1 workshop	2 workshops	3 workshops	4 workshops
8.9	10.6	6.5	74

[10] These workshops were not necessarily sequential. For example, some participants may have done Workshops 1 and 3 and these would be counted in the '2 workshops' category.

The program continues to improve participants' financial capabilities and contributes to overall levels of wellbeing.

The evaluation of Phase 4 Saver Plus participants has provided further evidence of the success of Saver Plus in helping low-income individuals and families improve their financial capabilities and wellbeing. The sustainability of the program demonstrates its effectiveness in increasing financial inclusion in Australia. Since Saver Plus began, thousands of low-income earners have reached savings goals and continue to save years after completing the program (Russell, Wall & Doan 2011).

The success of Saver Plus is evidence that the provision of appropriate mechanisms to assist low-income individuals to save, works. The combination of an incentive, suitable product, encouraging support and education provides a powerful elixir that has developed strong, long-term savers among a cohort of individuals who are often overlooked by the mainstream finance sector.

The results show a consistently high success rate of participants completing the program and receiving matched funds despite the time period being at the time of the global financial crisis. While many participants felt the negative effects of the broader economic challenges, most were still able to maintain saving and decrease debt, as well as learn how to better navigate the financial landscape.

The program continues to improve participants' financial capabilities and contributes to overall levels of wellbeing. These benefits often extend to the family, with most participants encouraging family members to save and sharing lessons learned with family and friends. The high proportion of participants encouraging their children to save as a result of the program is particularly important as the research suggests that learning to save as a child is an important predictor for saving as an adult.

This evaluation focused more closely than in previous phases on those who withdrew from the program without completing. The results indicate while there are some benefits to participants despite an early withdrawal from the program, those who did complete were better able to save more and save more regularly than those who did not complete the program. Those who completed the program were also more likely to save for the long-term than those who did not complete.

However, it would be misleading to view all participants who did not complete as 'unsuccessful'. Positive trends in the money management behaviour of non-completers included increased use of a budget, feeling more in control of finances and improved ability to plan ahead.

The commitment from the Australian Government to the program has enabled thousands more low-income individuals and families to improve their financial situations and in many cases their overall wellbeing. The continued commitment from ANZ and the Brotherhood of St Laurence and the many other community organisations delivering the program, signals the importance of cross-sector efforts in improving levels of financial inclusion in Australia.

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APPENDIX 1 :
Saver Plus Phase 4 (2009–2011) sites and delivery organisations

ORGANISATION	SITE NAME	STATE	REGION COVERED
Anglicare SA	South Adelaide	SA	Morphett Vale
	Barossa Region	SA	Nuriootpa
	Salisbury and Playford	SA	Salisbury
Anglicare WA	Albany	WA	Albany
	Mandurah	WA	Mandurah
Ballarat Group Training	Ballarat and surrounding districts	VIC	Ballarat
Berry Street	Albury and Wodonga	VIC	Wodonga
	East Gippsland	VIC	Bairnsdale
	Latrobe Valley	VIC	Morwell
	Greater Dandenong, Monash and Knox	VIC	Clayton
	Moira and Campaspe	VIC	Shepparton
	Greater Shepparton	VIC	Shepparton
	Wangaratta and Benalla	VIC	Alexandra
	Wellington	VIC	Sale
	Bass Coast and South Gippsland	VIC	Leongatha
	Mitchell, Murrindindi and Strathbogie	VIC	Seymour
Bethany Community Support	Greater Geelong	VIC	Hamlyn Heights
Brotherhood of St Laurence	Casey and Cardinia	VIC	Frankston
	Frankston and Mornington Peninsula	VIC	Frankston
	Yarra, Moreland, Darebin and Moonee Valley	VIC	Fitzroy
	Craigieburn and surrounding districts	VIC	Craigieburn
Loddon Mallee Housing Services (now Haven)	Greater Bendigo	VIC	Bendigo
	Maryborough and surrounding districts	VIC	Bendigo
	Mildura and surrounding districts	VIC	Mildura
Jewish Care Victoria	Port Phillip, Glen Eira and Kingston	VIC	Melbourne
The Benevolent Society	Bathurst and Orange	NSW	Orange
	Macarthur region	NSW	Camden
	Gold Coast North (Nerang)	QLD	Nerang
	Sydney Metro	NSW	Bondi
	Hurstville	NSW	Hurstville
	Inner West Sydney	NSW	Punchbowl
	Logan	QLD	Logan
	Moreton Bay	QLD	Strathpine
	Tamworth and surrounding districts	NSW	Tamworth
	Ryde	NSW	North Ryde

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Saver Plus Phase 4 (2009–2011) sites and delivery organisations

ORGANISATION	SITE NAME	STATE	REGION COVERED
The Smith Family	Brisbane North	QLD	Brisbane
	Brimbank	VIC	Brimbank
	Blacktown and Penrith	NSW	Parramatta
	Brisbane South	QLD	Brisbane
	Coffs Harbour	NSW	Coffs Harbour
	Darwin	NT	Nightcliff
	Fairfield	NSW	Fairfield
	Dubbo and surrounding districts	NSW	Dubbo
	Greater Taree	NSW	Taree
	Gold Coast South (Coolangatta)	QLD	Coolangatta
	Ipswich	QLD	Eastern Heights
	Illawarra and Wollongong	NSW	Wollongong
	Central Coast	NSW	Gosford
	Kwinana and Rockingham	WA	Kwinana
	Launceston and Waratah/Wynyard	TAS	Rocherlea
	Mirrabooka	WA	Mirrabooka
	Newcastle	NSW	Newcastle
	Canberra and Queanbeyan Region	ACT	Woden
	Port Adelaide, Enfield and Charles Sturt	SA	Elizabeth Vale
	Hobart	TAS	Hobart
	Sunshine Coast	QLD	Maroochydore
	Townsville	QLD	Vincent
	Werribee	VIC	Werribee
	Wagga Wagga and surrounding districts	NSW	Glenfield Park
	Port Augusta, Port Pirie and Whyalla	SA	Port Pirie

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