



MONEYMINDED IMPACT REPORT

NEW ZEALAND

NOVEMBER 2019



MoneyMinded Impact Report: New Zealand.

A report prepared for ANZ.
November 2019

Authors (RMIT University)

Roslyn Russell, Jozica Kutin, Mark Stewart & Matthew Welwood
School of Economics, Finance & Marketing
RMIT University

<https://www.rmit.edu.au/about/schools-colleges/economics-finance-and-marketing>

Suggested citation: Russell, R., Kutin, J., Stewart, M. & Welwood, M. (2019). MoneyMinded impact report: New Zealand. A report prepared for ANZ.



Front cover photo credit:

Hamish Melville

ACKNOWLEDGEMENTS

We would like to thank the MoneyMinded participants in New Zealand who contributed to the research by sharing their views and experiences after completing MoneyMinded.

Special thanks to Ms Coleen Jones, tutor and MoneyMinded facilitator from Solomon Group, Auckland, who organised the participants for the discussion groups, and to Ms Julia de Blaauw, ANZ New Zealand, for assistance with coordinating the data collection. We also wish to acknowledge and thank Ms Emma Withoff for her research assistance.

MoneyMinded

FOREWORD

ANZ New Zealand has been offering its flagship adult financial education programme MoneyMinded to thousands of New Zealanders, in partnership with community organisations and private training establishments, since 2012.

We originally adapted the MoneyMinded programme for a New Zealand audience by working in collaboration with South Auckland private training establishment Solomon Group and Dr Pushpa Wood from the Financial Education and Research Centre at Massey University.

I'm proud to say that Solomon Group continues to work alongside us to deliver MoneyMinded, not only within their own organisation, but also out in the community and by upskilling others to deliver the programme with their own clients. In this way we have grown local partnerships from one to five organisations across the country. And we hope these grassroots partnerships will continue to grow.

It's important to ANZ that we partner with community organisations and private training establishments with long term relationships with New Zealanders, where MoneyMinded can be delivered as an embedded part of other courses and wrap-around services. That way we see the programme helping New Zealanders set and achieve life goals. The results of this study are testament to that fact.

For us, MoneyMinded is as much about building successful and thriving communities as it is about ANZ New Zealand fulfilling its role in helping people manage their finances. Thriving communities provide opportunities for businesses such as ours to thrive alongside them.

Internationally New Zealand ranks highly for quality of life, with good public education and health infrastructure, as well as a stable political system and economy. But there are a group of New Zealanders who struggle daily to make ends meet.

While we deliver the MoneyMinded programme to all kinds of kiwis, we aim to maximise its impact by working with those who aren't in employment or training but are on a path that will see them achieve their goals in life. We do this by providing people with some of the financial basics they may have missed out on learning.

I'm proud to see that MoneyMinded continues to have a positive effect on New Zealanders' financial wellbeing.

I would like to say a special thank you to the participants who took part in this research and to Solomon Group and their accredited staff for their continued partnership with us on this journey. Their professional and inspiring approach to the programme really is a critical factor in its success and has contributed to the positive changes in the lives of the participants as discussed in this report.

ANZ New Zealand will continue to invest in MoneyMinded for the long term and I look forward to seeing the number of kiwis participating in the programme grow over the coming years.



Antonia Watson,
Acting CEO, ANZ New Zealand

CONTENTS

Foreword	1
Summary	3
Key highlights	4
1. About this report and MoneyMinded in New Zealand	5
2. Reach and delivery of MoneyMinded in New Zealand	6
3. Research method and participant characteristics	7
3.1 Discussion groups and case study	7
3.2 Survey	8
3.3 Financial situation of MoneyMinded participants	10
4. Changing financial behaviours	11
4.1 Active saving	12
4.2 Needs and wants	13
4.3 Cultural needs and participation	13
4.4 Planning, budgeting and setting goals	14
4.5 Spending restraint	16
4.6 Use of payday lenders	17
4.7 Financial confidence	18
5. Personal and other wellbeing outcomes	19
5.1 Attitudes to money, feelings and emotions	20
6. Financial wellbeing for MoneyMinded participants in New Zealand	22
6.1 Financial wellbeing scores	22
6.2 Meeting commitments	23
6.3 Feeling financially comfortable	23
6.4 Financial resilience	24
6.5 What does financial wellbeing mean to participants in New Zealand?	24
7. Case study	26
References	28

TABLES

Table 1. Characteristics of MoneyMinded participants in New Zealand	6
Table 2. Personal and household characteristics of New Zealand discussion group participants	7
Table 3. Personal and household characteristics of online survey respondents	8
Table 4. Income and employment characteristics of online survey respondents	9
Table 5. Which of the following best describes your savings behaviour?	12
Table 6. Estimated total amount in savings (NZ\$)	12
Table 7. For your regular income, how often do you make a plan or a budget?	14
Table 8. How far ahead do you plan your saving and spending?	15
Table 9. I have a financial goal to achieve in the next 12 months	15
Table 10. I cut back on my weekly or monthly spending in order to save	17
Table 11. Number of times taken out a loan using a payday lender or pawnbroker	17
Table 12. Confidence in making financial decisions	18
Table 13. Attitudes to money	20
Table 14. Average financial wellbeing scores for New Zealand survey participants	22

FIGURES

Figure 1. Indicators of financial hardship experienced in the last 12 months (participants were able to select more than one answer)	10
Figure 2. Before MoneyMinded	16
Figure 3. Wellbeing outcomes for participants	19

SUMMARY

ANZ New Zealand has been delivering MoneyMinded, ANZ Group's financial education programme, in New Zealand since 2012 in partnership with community organisations and private training establishments. More than 4,000 New Zealanders have completed the programme which has played an important role in strengthening the financial capabilities of individuals, households and communities. In Australia, New Zealand and across the Asia-Pacific, MoneyMinded has reached over 667,000 people since 2002.

In 2019, 712 New Zealanders participated in MoneyMinded.

The aim of this research was to identify the outcomes of MoneyMinded education in New Zealand and its effect on the financial wellbeing of participants. This research follows on from a similar impact study of the MoneyMinded New Zealand programme conducted by the University of Auckland Business School in 2014 and confirms some of the original findings in that report, particularly that individuals who complete MoneyMinded show positive changes in their financial behaviour and knowledge as a result of the programme.

This report provides evidence that MoneyMinded improved the financial capabilities of participants by increasing saving, budgeting and planning behaviours, distinguishing between needs and wants, setting financial goals and reducing spending. The programme also increased participants' confidence and self-belief in being able to manage their money.

The findings presented in this report are based on data collected from MoneyMinded participants by an online survey (n = 53), two discussion groups (n = 23) and an in-depth interview with one participant. Discussion group and interview participants were recruited from the Solomon Group, a South Auckland Māori private training establishment¹.

To have financial wellbeing means being able to meet financial commitments and feel financially comfortable to make choices that allow you to enjoy life. It also means having financial resilience for the future, including being able to cope with unexpected expenses. The behaviours and attitudes associated with financial wellbeing are saving, planning, financial confidence, spending restraint and future orientation.

The survey included a financial wellbeing scale (Kempson, Finney & Poppe, 2017) that allowed us to measure the financial wellbeing of participants before and after they completed the programme. 96% of the respondents reported that MoneyMinded had a positive or very positive effect on their financial wellbeing.

The financial wellbeing score of survey participants improved from **28** out of 100 prior to completing MoneyMinded to **65** out of 100 at the time of the survey.

1. <https://www.solomongroup.co.nz/>

KEY HIGHLIGHTS

MEETING FINANCIAL COMMITMENTS



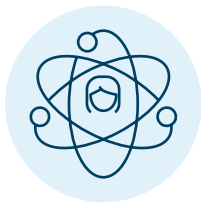
- **68%** of participants said they 'rarely' or 'never' ran out of money for food or other regular expenses after MoneyMinded compared with **19%** of participants before MoneyMinded
- **53%** were able to pay bills and credit commitments without any difficulty compared with only **6%** before the programme
- **74%** said they were able to pay bills and other financial commitments before the final notice compared with only **15%** who were able to do this before MoneyMinded

FEELING FINANCIALLY COMFORTABLE



- **68%** of respondents had money left over after paying for necessities compared with **10%** before the programme
- **90%** viewed their household financial situation positively compared with **8%** before MoneyMinded
- **75%** felt their finances allowed them to do the things they wanted and enjoy life compared with **11%** before the programme.

FINANCIAL RESILIENCE



- **26%** of respondents said they could cover an unexpected expense with savings compared with **9%** before MoneyMinded
- **21%** of participants reported that if their income fell by a third, they could meet all their expenses without needing to borrow for three months or more compared with **9%** before the programme
- **25%** had saved at least three months' income compared with only **2%** before MoneyMinded.

CHANGED BEHAVIOURS AND ATTITUDES



- **71%** were able to plan ahead compared with **16%** before MoneyMinded
- **69%** felt confident in making financial decisions compared with **15%** before the programme
- **81%** of participants felt better able to deal with their financial problems compared with **15%** before MoneyMinded.

PERSONAL WELLBEING AND FAMILY OUTCOMES



- **76%** of participants shared information they learned in MoneyMinded with others
- **78%** felt better able to provide for their families
- **76%** were more confident in other aspects of their lives

1. ABOUT THIS REPORT AND MONEYMINDED IN NEW ZEALAND

This report provides the results of an evaluation of MoneyMinded, ANZ's financial education programme delivered in New Zealand in 2019. MoneyMinded is an adult financial education programme that builds knowledge, skills and confidence to help people make informed decisions about how to manage their money. It is ANZ's global flagship programme to improve the financial wellbeing of the community.

MoneyMinded was developed by ANZ in 2002 and is delivered widely by trained facilitators in community organisations to a range of groups, including those looking for employment, older people, sole parents, people with disability and victims/survivors of family violence.

In 2012 ANZ worked with Solomon Group, a South Auckland private training establishment, and Dr Pushpa Wood from the Financial Education and Research Centre at Massey University, to adapt the programme for a New Zealand audience. Solomon Group have partnered with ANZ to deliver the programme ever since.

ANZ now works with five partners across New Zealand to deliver MoneyMinded.

In the year 2018–2019, 712 people in New Zealand received MoneyMinded education.

"It [MoneyMinded] really showed me how much I was spending and overspending and how to change my impulsive buying. It also made me realise that when I was impulsive buying it wasn't a need, it was a want instead." (Survey participant)

In 2018, the national financial wellbeing of New Zealanders was measured using Kempson et al's (2017) financial wellbeing scale. The average score for New Zealanders was 59 out of 100, on par with Australian respondents (ANZ, 2018b). 23% of New Zealanders were categorised as having 'no worries', 40% were 'doing ok', 24% were 'getting by' and 13% were found to be 'struggling'.

In this research, we explored how MoneyMinded contributed to the financial wellbeing of New Zealand participants. Through an online survey, discussion groups and an individual case study with participants, we were able to identify the financial wellbeing outcomes of MoneyMinded, changes in financial behaviours and attitudes among participants and how they viewed their financial futures.

MoneyMinded workshop overview:

In New Zealand, most participants who undertake MoneyMinded in a group workshop setting complete the MoneyMinded Basics programme. Consisting of four 2.5 hour workshops it covers a range of topics that are relevant to the participant group. One of MoneyMinded's most useful features is its adaptability to suit the context and the needs of the participants.

Workshop 1 – Planning and Budgeting

- Attitudes to money
- SMART financial goal setting
- Needs and wants
- Spending diary
- Spending leaks

Workshop 2 – Saving and Spending

- The cost of things
- Shopping tips to keep costs down
- Planning for life events
- Tips for taking control of your finances

Workshop 3 – Everyday Banking

- Tips for managing your accounts
- The cost of credit
- Credit providers
- Assistance for those unable to repay debts

Workshop 4 – Planning for the Future

- Support networks
- Where to go for help
- Retirement income in New Zealand
- KiwiSaver

2. REACH AND DELIVERY OF MONEYMINDED IN NEW ZEALAND

In 2018-2019, MoneyMinded was delivered to 712 people in New Zealand². The programme is delivered by Community Colleges, Youth Horizons, New Zealand Welding School, Youthline and Solomon Group. Table 1 (right) shows the demographic makeup of New Zealand's MoneyMinded participants, based on the facilitator survey.

Solomon Group Whanau Ara Mua (WAM) class is an example of an effective delivery pathway of MoneyMinded in New Zealand. The WAM course includes learning about family relationships and wellbeing, children's learning and development and students also undertake MoneyMinded workshops as part of the curriculum. At the end of the course, participants earn qualifications in New Zealand Foundation Studies Level 1 and 2, and a Certificate in Intergenerational Education Level 2.

TABLE 1. CHARACTERISTICS OF MONEYMINDED PARTICIPANTS IN NEW ZEALAND

Characteristics	Per cent %
Male	41
Female	59
Sole parents	41
Unemployed	49
Language other than English spoken at home	35
New migrant/refugee	8
Seasonal workers	0
Disabled persons	4
Carers	2
Over 65 years of age	2
ANZ employees	1
Students	67
Small business owners	0
Other	5

Facilitators in sample 19

2. Based on MoneyMinded attendance data collected by ANZ New Zealand.

Photo credit: Hamish Melville



3. RESEARCH METHOD AND PARTICIPANT CHARACTERISTICS

To collect data from MoneyMinded participants in New Zealand, we used an online survey, two discussion groups and one in-depth interview (for the case study).

3.1 DISCUSSION GROUPS AND CASE STUDY

Two discussion groups were held at Solomon Group, a Māori private training establishment that incorporates MoneyMinded as part of the curriculum for their courses. Participants were not enrolling in MoneyMinded as a standalone programme. Rather, it formed a component of the course they were undertaking designed to improve their employment prospects. All training courses provided by Solomon Group are free of charge.

The Solomon Group courses that include MoneyMinded are:

- WAM, New Zealand Foundation Studies Level 1 and 2 (35 weeks)³
- Warehousing and Yard Operations Level 3 (12 weeks)⁴
- Community Night Classes, Communication, English, Literacy (12 months)⁵
- Employment Literacy—Future Directions, Kaikohe (5 weeks)⁶
- Employment Literacy—Back to Work Northland (10 weeks)⁷.

We held two discussion groups at Solomon Group (10 and 13 participants, respectively). Most of the 23 discussion group participants were women (20 women and three men) and were enrolled in the WAM course. One participant from the discussion group agreed to participate in an in-depth interview to allow for a detailed exploration of the outcomes of MoneyMinded (see Section 8: Case Study). All the participants had completed MoneyMinded less than six months prior to the discussion group.

Table 2 summarises the characteristics of the discussion group participants.

TABLE 2. PERSONAL AND HOUSEHOLD CHARACTERISTICS OF NEW ZEALAND DISCUSSION GROUP PARTICIPANTS (N = 23)

Characteristics	Per cent % (n)	
Gender	Male	13 (3)
	Female	87 (20)
Age (Missing = 1)*	18–29	32 (7)
	30–39	23 (5)
	40–49	32 (7)
	50–59	13 (3)
Household type (Missing = 1)	Single—in shared house	23 (5)
	Single parent—children at home	45 (10)
	Married/de facto couple—children at home	18 (4)
	Other	14 (3)
Employment (Missing = 1)	Working part-time	4 (1)
	Currently looking for work	32 (7)
	Tertiary student	9 (2)
	Looking after the home or caring for family	14 (3)
	Non-worker (not working and not looking for work)	14 (3)
	Other (attending course at Solomon Group)	27 (6)
Languages spoken at home	English only	22 (5)
	Other languages (Cook Island, Tongan, Hindi, Māori and Samoan)	78 (18)
Ethnic group (can select more than one)	Māori	30 (7)
	New Zealand European	9 (2)
	Samoan	35 (8)
	Cook Island Māori	13 (3)
	Tongan	13 (3)
	Other	13 (3)
Annual household income (NZ \$)	Less than \$25,000	31 (7)
	\$25,000 to \$49,999	35 (8)
	\$50,000 to \$74,999	13 (3)
	\$75,000 to \$99,999	4 (1)
	Prefer not to say	17 (4)
Annual personal income (NZ \$)	Less than \$25,000	46 (10)
	\$25,000 to \$49,999	28 (6)
	\$50,000 to \$74,999	4 (1)
	\$75,000 to \$99,999	4 (1)
	Prefer not to say	18 (4)

*Percentages were calculated excluding missing data.

3. <https://www.solomongroup.co.nz/our-courses/whanau/>

4. <https://www.solomongroup.co.nz/our-courses/warehouse-and-yard-operations/>

5. <https://www.solomongroup.co.nz/our-courses/literacy-community/>

6. <https://www.solomongroup.co.nz/our-courses/future-directions/>

7. <https://www.solomongroup.co.nz/our-courses/back-to-work/>

The focus group discussions aimed to explore participant outcomes in more detail than what could be achieved with the survey. Topics included what financial wellbeing meant to the participants, the lessons that were most useful to them, how they managed their money before doing MoneyMinded and changes they had made after the programme. Participants discussed their financial goals and shared their experiences around prioritising their needs and wants and how they felt about their financial situations.

3.2 SURVEY

The survey was developed by RMIT University and included an adaptation of the validated financial wellbeing scale of Kempson, Finney, and Poppe (2017). This scale has been previously used to measure levels of financial wellbeing in Australia and New Zealand (ANZ, 2018a, 2018b) and for specific population groups such as older Australians (Russell, Kutin, Stewart, & Cai, 2018) and Saver Plus participants (Russell, Kutin, & Stewart, 2018). The survey also included items about financial behaviours and attitudes that were specifically targeted to participants in the MoneyMinded programme such as planning and budgeting, planning for the future and saving and spending.

Tables 3 and 4 show the characteristics of the 53 people (51 women and two men) who completed the survey (i.e., they completed all financial wellbeing scale items). Just over half of the participants (55%) had completed MoneyMinded in the previous six months, 43% in the last six to 12 months and only one person had completed MoneyMinded more than 12 months ago. Nearly all participants were from the Auckland area (94%), 4% were from Northland, and 2% were from the Dunedin area. The average household of participants comprised five people (three adults and two children). Nearly half of the survey respondents were Māori.

Of the 53 survey respondents:

- 96% were women
- 66% were aged between 18 and 39 years
- 60% had completed Forms 5, 6 or 7 at secondary school
- 24% were tertiary students
- 20% were married
- 50% were single parents
- 18% had a long-term health condition or disability
- 66% paid rent to a private or public landlord
- 24% were employed
- 40% earned less than NZ\$25,000 per year
- 46% had a regular monthly income.

TABLE 3. PERSONAL AND HOUSEHOLD CHARACTERISTICS OF ONLINE SURVEY RESPONDENTS (N = 53)

Characteristics		Per cent %
Gender	Male	4
	Female	96
Age	18–29	42
	30–39	24
	40–49	19
	50–59	15
Highest level of education completed	Primary school or none	2
	Secondary (Year 11 or below)	20
	Secondary (Year 12)	40
	Technical institute	20
	University	12
	On the job or other training	6
Household type	Live alone	2
	Single—in shared house	14
	Single parent—children at home	50
	Married/de facto couple—children at home	16
	Married/de facto couple—no children at home	4
	Other	14
Number of children under 18 years in household	0	20
	1	22
	2	22
	3	10
	4	14
	5	8
	6 to 9	4
Number of adults in household (including participant)	0	14*
	1	28
	2	20
	3	20
	4	6
	5	6
	6 to 8	6

Characteristics		Per cent %
Languages spoken at home	English only	56
	Other languages (Cook Island, Tongan, Hindi, Māori and Samoan)	44
Own home or paying rent	Own home outright	2
	Own home and paying a mortgage	2
	Pay rent to private landlord	38
	Pay rent to a government agency	28
	Pay rent or board to someone else in the home	22
	Other arrangement	8
Ethnic group (can select more than one)	Māori	47
	New Zealand European	30
	Samoan	19
	Cook Island Māori	13
	Tongan	6
	Niuean	4
	Indian	4
	Other (Fiji, French, English, Spanish Australian)	9

*This figure reflects respondents misunderstanding the question. They have read it as how many adults in addition to respondent rather than 'including' respondent.

TABLE 4. INCOME AND EMPLOYMENT CHARACTERISTICS OF ONLINE SURVEY RESPONDENTS (N = 53)

Income or employment		Per cent %
Employment	Working full-time	4
	Working part-time	20
	Currently looking for work	24
	Tertiary student	24
	Looking after the home or caring for family	6
	Unable to work because of ill-health or disability	2
	Other (attending course at Solomon Group)	20
Disability or long-term health condition	Yes	18
	No	82
Annual household income (NZ \$)	Less than \$25,000	26
	\$25,000 to \$49,999	40
	\$50,000 to \$74,999	4
	\$75,000 to \$99,999	4
	More than \$100,000	0
	Prefer not to say	26
Annual personal income (NZ \$)	Less than \$25,000	40
	\$25,000 to \$49,999	30
	\$50,000 to \$74,999	4
	\$75,000 to \$99,999	0
	More than \$100,000	0
	Prefer not to say	26
Income regularity	My/our household income is very predictable and stable from month to month	46
	My/our household income is generally predictable but can vary a bit from month to month	50
	My/our household income is not that predictable and can vary considerably from month to month	4

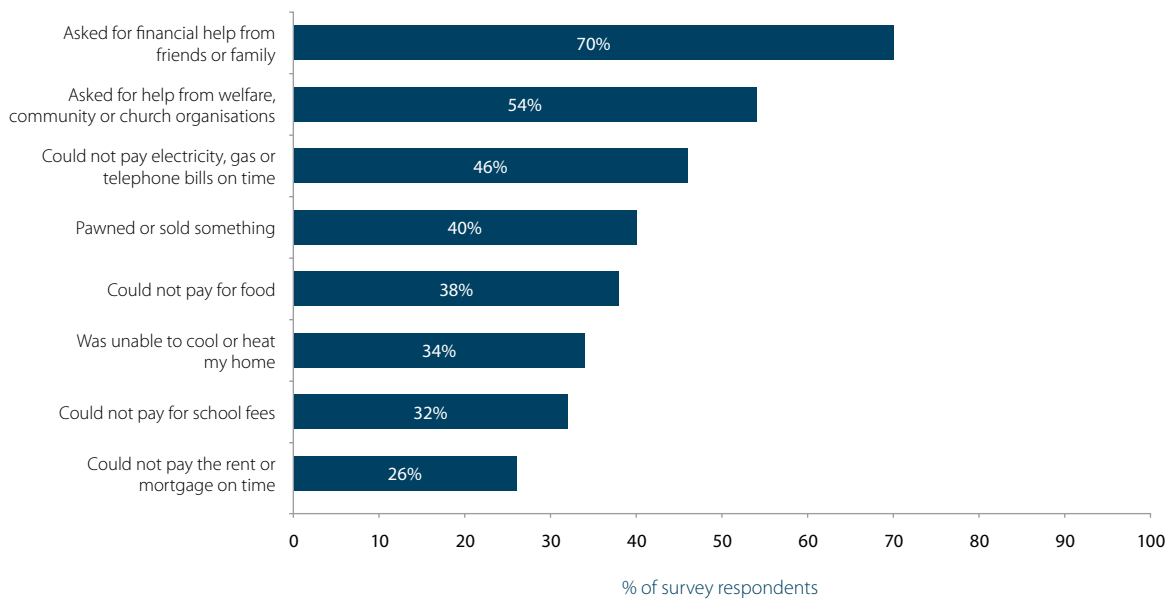
3.3 FINANCIAL SITUATION OF MONEYMINDED PARTICIPANTS

We used a measure of financial stress that included eight indicators to record the financial difficulties the survey participants experienced in the year prior to the survey (Australian Bureau of Statistics, 2016).

Figure 1 shows that 46% of participants had not been able to pay a utility bill on time (in the previous 12 months) due to a shortage of money. 70% had asked for help from friends and family, and 38% of participants reported they did not have enough money to pay for food in the last 12 months.

In combining the number of financial stressors experienced in the previous 12 months, we found that only 24% of participants experienced 'no financial stress' (none or one indicator reported), 42% of participants reported 'moderate stress' (two to four stress indicators) and the remaining 34% of participants experienced 'high stress' (five to eight indicators).

FIGURE 1. INDICATORS OF FINANCIAL HARDSHIP EXPERIENCED IN THE LAST 12 MONTHS (PARTICIPANTS WERE ABLE TO SELECT MORE THAN ONE ANSWER, N = 50)



4. CHANGING FINANCIAL BEHAVIOURS

MoneyMinded aims to strengthen participants' financial knowledge, skills, confidence and capabilities to contribute towards improving their financial wellbeing. We know from national and international research that the financial behaviours and attitudes most important to financial wellbeing include active saving, not borrowing for everyday expenses, confidence in money management skills and self-belief. These behaviours and attitudes can help an individual to meet their financial commitments, feel financially comfortable and build resilience for the future (ANZ, 2018a; Comerton-Forde et al., 2018; Kempson et al., 2017; Russell, Stewart, & Cull, 2015).

"Being aware of my spending has helped me plan ahead and budget more wisely. I can set some money aside to help cover those 'unexpected costs' that arise. I have the tools to spend and save money and refrain from impulsive spending!" (Survey participant)

Life events can trigger motivation to learn about and adopt financial behaviours that contribute to financial wellbeing. MoneyMinded continues to play an important role in helping participants put in place financial habits and attitudes that can help them manage changing responsibilities.

"I didn't actually think about anything else that I needed or wanted to save for until I had my son. Then I was budgeting, writing down my bills, first paying those off, making sure everything was all good, and then write down what I needed versus what I wanted." (Participant, discussion group)

The survey measured changes in participants' money management behaviours and attitudes from before to after completing MoneyMinded. We also measured participants' financial wellbeing and asked for their views on the effect MoneyMinded had on their financial wellbeing. Participants reported a variety of changes in behaviour and the subsequent effects on their financial wellbeing.

Commonly reported outcomes of MoneyMinded included:

- increased saving behaviour
- distinguishing between needs and wants
- managing cultural expectations
- planning and budgeting
- goal setting
- reduced reliance on credit
- better ability to meet financial commitments
- family engagement with goals and money management.

Photo credit: Hamish Melville



4.1 ACTIVE SAVING

Saving is widely recognised as one of the most important financial behaviours that contributes to financial wellbeing (ANZ, 2018a; Comerton-Forde et al., 2018; Kempson et al., 2017; Muir et al., 2017). Developing a saving habit can help to cultivate other behaviours and attitudes that promote financial wellbeing. For example, saving increases confidence, increases future orientation, helps to achieve financial goals and builds resilience for the future (Russell et al., 2015).

Prior to completing MoneyMinded, 63% of survey participants reported they were unable to save (see Table 5). After MoneyMinded, this fell to 4% of participants, while 63% of participants became regular savers (compared with 6% before the programme). Before MoneyMinded, most participants did not have a dedicated savings account or make regular saving deposits.

Few discussion group participants had retirement savings or a KiwiSaver account. There was a general lack of knowledge among participants around how KiwiSaver worked, what benefits it imparted and the effect and security it granted in the long term.

There was a significant increase in the proportion of participants who were able to save money after completing MoneyMinded. Many participants set up dedicated savings accounts, making saving deposits through direct debits and protecting the account by having no access cards associated with it to deter withdrawing funds. Participants in the discussion groups talked a great deal about their saving efforts—some with trial and error stories—around establishing manageable targets. Some had been too ambitious and set aside too much too soon and needed to readjust their regular saving amount.

“My savings plan, I never had one before. I’m very happy with my savings plan so far. And that’s just the small amount but \$80 is like a big, huge amount because I never used to bank any savings.” (Participant, discussion group)

After MoneyMinded, 32% of participants said they had \$500 or more in savings (see Table 6). Before MoneyMinded, 67% had less than \$100 in savings, while after MoneyMinded, 29% had less than \$100 in savings.

In addition to a dedicated savings account, many discussion group participants joined KiwiSaver after learning about how it worked. Some had negative perceptions of KiwiSaver before understanding how it operated, lamenting having missed out on incentives offered by the government⁸. Most participants had a positive view of KiwiSaver after doing MoneyMinded.

TABLE 5. WHICH OF THE FOLLOWING BEST DESCRIBES YOUR SAVINGS BEHAVIOUR?

	Before	After	Change
I save a set amount on a regular basis	2%	32%	↑ 30%
I save what is left over after expenses on a regular basis	4%	31%	↑ 27%
I save odd amounts when I can	27%	31%	↑ 4%
I am unable to save	63%	4%	↓ 59%
Don't know	4%	2%	↓ 2%
Total	100%	100%	

TABLE 6. ESTIMATED TOTAL AMOUNT IN SAVINGS (NZ\$)

	Before	After	Change
Less than \$100	67%	29%	↓ 38%
\$100 to \$499	8%	35%	↑ 27%
\$500 to \$999	4%	15%	↑ 11%
\$1,000 to \$2,999	0%	11%	↑ 11%
\$3,000 or more	4%	6%	↑ 2%
Don't know	17%	4%	↓ 13%
Total	100%	100%	

8. As an initiative to kick-start participation in the KiwiSaver programme, the government offered a \$1,000 tax-free contribution to those joining KiwiSaver before 21 May, 2015. <https://www.kiwisaver.govt.nz/new/benefits/kick-start/>

4.2 NEEDS AND WANTS

One of the core components of the MoneyMinded programme—differentiating between needs and wants—involves the ability to prioritise spending. This has long made a significant difference for MoneyMinded participants. We found that for many participants, being able to prioritise their spending encouraged meaningful changes to their financial management practices.

Before MoneyMinded, participants had difficulty in distinguishing between needs and wants. For example, participants reported that their regular purchases of takeaway and ‘junk food’ reflected a lack of prioritising their income, creating stress when financial commitments were unable to be met.

“Before the MoneyMinded workshop, I wasn’t able to differentiate my needs and my wants. I was stressed. I was full of stress, me and my family, because of our bills. There was not enough money to cover. I didn’t have any saved up at all.” (Participant, discussion group)

“Now I can see that it is more important to do our needs first and if any is left over, then we do our wants, if not then it’s just fine.” (Participant, discussion group)

A few participants had been taught budgeting skills from parents or grandparents when they were growing up. This early learning had a lasting influence on their money management as adults. These participants reported that they were better able to save and plan for the future.

Participants categorised their expenditure needs as individual, family and cultural. Each category played a key role in supporting their financial wellbeing.

- **Individual needs** included the ‘pay yourself first’ concept. Most participants had never considered this before doing MoneyMinded. Learning that investing in their own health and happiness enabled participants to better care for their family and motivated them to save.
- **Family needs** included caring and providing for children and other family members and ranged from providing basic living necessities to children’s schooling and participation in sports and other activities.

“Now I spend wisely, just buying things that we need not want. I am able to buy my kids the things that they need for school and their sports, which it was impossible for me to do before. Thank you, MoneyMinded.” (Survey participant)

- **Cultural needs** included contributing to community events, including funerals and celebrations. It could also involve giving money to the church and extended family when they asked for it.

4.3 CULTURAL NEEDS AND PARTICIPATION

The interplay of cultural needs with financial capabilities and wellbeing is a significant factor in many contexts in which MoneyMinded is delivered.

Meeting cultural expectations and obligations are an important aspect to a person’s identity and sense of belonging. It is an important element to a household’s financial expenditure but can create stress and affect a person’s ability to meet their own needs or that of their immediate family.

One participant described the Tongan way of supporting others as being:

“More of giving and offering. It doesn’t mean that someone needs it, but you have to do it. If they ask for money, [I do] the only thing I can do, I just go for it. Because I’m a Tongan, I don’t want to lose my dignity as a Tongan.” (Participant, discussion group)

The cultural aspect to managing money is complex and does not have clear guidelines. In the discussion groups, participants shared the difficulties and mixed feelings they experienced when dealing with cultural obligations. For many, recognising their own needs as being important was a significant lesson and enabled them to feel more confident in choosing how and when to give money to their wider family and community.

“I think if you can, then do it, but if you know that you can’t, don’t try and run faster than you’re able.” (Participant, discussion group)

“I have learned that help if you can, but if not then you just have to explain that I want to, but I can’t.” (Participant, discussion group)

Another participant noted:

“That’s why most Pacific Islanders struggle, because they’re busy trying to help their family instead of thinking about just their own little space.” (Participant, discussion group)

Participants thought information that includes cultural obligations is important in helping people of different cultures know how to better manage their finances.

“I think we need more information about improving our financial situations, whether you have enough or you don’t have enough. I think it should apply to everybody. It would help us, especially us [Pacific Islander] people and Māori.” (Participant, discussion group)

Cultural participation must be viewed as a ‘need’ to be met rather than just a ‘want’. After MoneyMinded, many participants were able to meet these needs and meaningfully participate in their cultural traditions.

4.4 PLANNING, BUDGETING AND SETTING GOALS

Planning, budgeting and setting goals are important topics in the MoneyMinded workshops. Creating a budget to manage income and expenses helps individuals to avoid running out of money before their next income payment is due. It also helps them know how much money can be put away for savings and their future.

Discussion group participants shared their budgeting experiences after MoneyMinded. Their experiences ranged from successfully creating and maintaining budgets and balancing their needs and wants, to their struggle to create or stick to any budget they formed. Difficulties around maintaining or sticking to budgets were generally due to unexpected expenses, lack of commitment or apathy. Generally, the participants knew budgeting was useful but some did not know where to start with creating a budget and others had found it difficult to stick to a budget.

Before MoneyMinded, only 16% of survey participants made a plan or budget for their income ‘always’ or ‘often’ (see Table 7). This figure increased to 71% after doing MoneyMinded.

TABLE 7. FOR YOUR REGULAR INCOME, HOW OFTEN DO YOU MAKE A PLAN OR A BUDGET?

	Before	After	Change
Never	48%	2%	↓ 46%
Rarely	25%	8%	↓ 17%
Sometimes	11%	19%	↑ 8%
Often	8%	33%	↑ 25%
Always	8%	38%	↑ 30%
Total	100%	100%	

Photo credit: Hamish Melville



Creating a budget to manage income and using a spending diary to track expenses are behaviours that MoneyMinded encourages to help participants build awareness of their financial situation and feel in control of their money.

In the discussion groups, participants shared their success stories, in which **spending diaries** were particularly useful for revealing spending leaks and highlighting their spending habits.

Survey participants were more likely to have a plan for their savings and spending after doing MoneyMinded. Prior to MoneyMinded, 67% said they did not plan their savings and spending and this figure fell to 6% after MoneyMinded (see Table 8). While most participants' planning timeframes were short term ('over the next week or fortnight'), there was evidence that some participants' planning timeframes were longer term, including 'the next few months' and even the next year or two.

TABLE 8. HOW FAR AHEAD DO YOU PLAN YOUR SAVING AND SPENDING?

	Before	After	Change
I don't plan	67%	6%	↓ 61%
Over the next week or fortnight	29%	50%	↑ 21%
Over the next few months	0%	25%	↑ 25%
Over the next year	0%	8%	↑ 8%
Over the next 2 or more years	2%	11%	↑ 9%
I don't know	2%	0%	↓ 2%
Total	100%	100%	

Setting goals

Having a financial goal is a critical motivator to save. Many participants in the discussion groups had never had a financial goal before or saved because they did not believe it was something they would be able to achieve. Encouraging participants to set a goal—even a modest short-term goal—is a key MoneyMinded skill.

MoneyMinded focuses on participants developing achievable goals using the SMART goal principles⁹. Participants in the discussion groups spoke of the goals they set such as establishing a rainy-day savings account or saving for their first overseas trip.

Participants were both encouraged and motivated by early successes, setting larger, longer-term goals after immediate ones were reached. Similarly, their families made, achieved and set new goals, with one participant's daughter saving for a car once she had her learner licence.

"My daughter's first goal was to buy a PlayStation and she's done that, but now she wants a car because she's got her learners', but we don't have a working car for me to teach her to drive. Now she wants to buy a car." (Participant, discussion group)

"I'm sticking with my goals—I keep looking at my bank balance. The 'app' sends me messages that I need to make a deposit to get bonus interest, so I deposit some money straight away. I love seeing my balance go up." (Participant, discussion group)

Some participants cautioned against setting overly ambitious goals, as it was 'setting themselves up to fail'.

"I believe if you strive to save for something for instance ... don't try and save to fail. Save to succeed and strive for it." (Participant, discussion group)

The number of survey participants who had set a financial goal after completing MoneyMinded increased by 66% (see Table 9).

TABLE 9. I HAVE A FINANCIAL GOAL TO ACHIEVE IN THE NEXT 12 MONTHS

	Before	After	Change
Strongly agree or agree	14%	80%	↓ 66%
Strongly disagree or disagree	49%	2%	↓ 47%
Neither agree nor disagree	31%	14%	↓ 17%
Don't know	6%	4%	↓ 2%
Total	100%	100%	

Immediate goals

After MoneyMinded, participants were immediately able to set goals such as create a budget, set up a savings account, seek financial advice, pay their bills on time and help out their family. These immediate actions reduced stress and enhanced their outlook on life. Importantly, many participants sought to include their family and partners in their goal setting, furthering the likelihood of achieving them.

9. SMART goals are Specific, Measurable, Achievable, Realistic and Time-framed.

Mid-term goals

Repayment of debt and not having bills in arrears was a priority for many participants. In addition, many expressed their intention to return to school and further their education to upskill and find a new or better-paying job, enabling them to support themselves and their families. Many goals were focused on supporting families and children, such as affording school expenses or paying for their children to participate in sports or other extracurricular activities.

**“We decided a long time ago that we were going to go back to school to get better educated so that we would get a better job.”
(Participant, discussion group)**

Holidays were a common goal. For many participants, they had never had a family holiday or a trip overseas to visit relatives. They spoke of wanting to be able to give their family meaningful holidays by visiting their home country so their children could experience their heritage and culture.

Other goals were personal ‘pay myself first’, such as being able to afford new clothes, a TV channel package or home improvements. One participant shared that her goal was a plane ticket to Japan to support her son in the upcoming Olympics.

Long-term goals

Long-term goals for participants included buying a home, saving for their children’s education and first car, building up retirement funds in their KiwiSaver account and having additional funds to achieve long-term security (financial resilience).

The goal of owning a home had many motives, first and foremost of which was stability and security. The costs and precarity of renting can mean a family becomes priced out of a home they have rented for years. Participants explained that in addition to rent being high, the money was essentially being wasted, as it was going to support someone else’s home. Beyond stability and smart investment, there was a cultural aspect for Māori and Cook Islanders to owning land or one’s home.

4.5 SPENDING RESTRAINT

Spending restraint has also been identified as a key behaviour that contributes to financial wellbeing (Kempson et al., 2017). This behaviour incorporates traits such as not being impulsive, being mindful of needs and wants and generally living within one’s means.

The discussion groups revealed that not having a budget or plan and being susceptible to emotional triggers led many participants to make impulse purchases. Many participants said they often did not consider costs when making impulsive purchases, leading to anxiety and stress when they subsequently could not pay bills or meet other commitments (see Figure 2). Common to almost every experience was anxiety around precarity and insecurity from constantly living ‘in the red’ or wondering how they would weather any sudden or unexpected expenses. Many saw no end to their vulnerability, perpetuating negative attitudes towards money and living with a constant state of stress.

FIGURE 2. BEFORE MONEYMINDED



Following MoneyMinded, 63% of survey participants were more likely to save by cutting back on their monthly or weekly spending compared with 8% before MoneyMinded (see Table 10).

TABLE 10. I CUT BACK ON MY WEEKLY OR MONTHLY SPENDING IN ORDER TO SAVE

	Before	After	Change
Strongly agree or agree	8%	63%	↑ 56%
Neither agree nor disagree	27%	27%	–
Strongly disagree or disagree	59%	6%	↓ 53%
Don't know	6%	4%	↓ 2%
Total	100%	100%	

Spending leaks and impulse purchases lessened when participants recognised how these behaviours perpetuated their anxieties. Self-reflection allowed participants to make savvy purchases on needs while still rewarding themselves with the ‘pay myself first’ principle.

“I’m feeling confident about my financial situation now and just knowing what to spend and how to spend my money. Financially, a lot less stressful and a lot happier now because my income ... Somehow my income has increased, and my bills have decreased.” (Participant, discussion group)

“I’ve cut back on spending money on junk food and takeaways, also alcohol. I’ve quit smoking. I keep to a budget as much as I can. I buy second hand goods.” (Survey participant)

Participants reported that setting a ‘pleasurable’ goal, such as planning for a holiday or treat, encouraged them to put more money aside into savings while balancing needs and wants.

4.6 USE OF PAYDAY LENDERS

Accessing loans through payday lenders or pawnbrokers is a risky strategy. However, when people have no other options or savings, this is often their only choice (Banks, Marston, Russell, & Karger, 2015). The MoneyMinded programme includes information about the risk inherent in payday loans. A goal of financial education is to improve financial resilience, thereby reducing the need to access risky high-cost loans.

Some participants had large debts and would take on additional loans to be able to pay for day-to-day expenses. Borrowing for everyday expenses is a strong detractor of financial wellbeing. Participants shared stories of having to obtain loans to meet daily expenses, cover expenses associated with vehicle breakdown and contribute to funeral costs within their family and community.

“There’s a lot of loan sharks out there. I’ve been with one and it’s taken me years to pay off the bill.” (Participant, discussion group)

There was a significant reduction in the number of people who used payday lenders or pawnbrokers to secure loans after they completed MoneyMinded (see Table 11). 46% of survey participants had used payday lenders before MoneyMinded compared with 23% after MoneyMinded.

TABLE 11. NUMBER OF TIMES TAKEN OUT A LOAN USING A PAYDAY LENDER OR PAWNBROKER

	Before	After	Change
None	52%	77%	↑ 25%
1 to 3 times	23%	19%	↓ 4%
4 or more times	23%	4%	↓ 19%
Don't know	2%	0%	↓ 2%
Total	100%	100%	

In becoming more aware of their spending, goals and meeting financial commitments, participants who completed MoneyMinded recognised that, beyond the short term, loans translated into additional bills and sabotaged their efforts to save. Repayment of debt became a priority for many who had taken loans, methodically paying them down as quickly as possible. Some participants were able to make extra payments to be free of the loan. One participant reported that in the six months prior to the discussion group, she had paid off \$5,000 in rent arrears.

4.7 FINANCIAL CONFIDENCE

Having confidence in managing one’s finances contributes to financial wellbeing (Fernandes, Lynch, & Netemeyer, 2014; Tang & Baker, 2016). Confidence leads to actions and actions build confidence. Confidence comes from having the right knowledge, experience in using it and knowing where to find resources when making financial decisions.

MoneyMinded helped participants build confidence in their financial decision-making by empowering them with financial skills and knowledge. The discussion group participants reported having confidence in their own abilities to achieve their goals, manage money day-to-day and how to best approach demands for money from their extended families and community without compromising their own needs. The confidence came from feeling more in control of their money and having greater awareness of their spending and shift in attitude towards money.

“I worked on my spending diary, now I know which areas I need to work on. I’m feeling confident about my financial situation now and just knowing what to spend and how to spend my money.” (Participant, discussion group)

In addition, participants spoke of their experience of being able to say ‘no’ to and question sales people, rather than simply agreeing with what was said to be amiable or because they did not understand. This was particularly meaningful regarding purchasing products or services from companies or when dealing with complex language in financial documents. Other examples included participants feeling more confident when making enquiries with WINZ and establishing separate savings accounts or a KiwiSaver.

Photo credit: Hamish Melville

MoneyMinded survey participants reported increased levels of confidence after completing the programme when they reflected on how they felt when making financial decisions and planning for the future (see Table 12). 69% felt confident in making decisions about financial products and services after MoneyMinded compared with 15% of participants before doing the programme. Before MoneyMinded, only 8% felt confident about planning for their future—this increased to 79% after the programme. 81% of survey participants also felt they were better able to deal with their financial problems after doing the programme compared with 15% before MoneyMinded.

TABLE 12. CONFIDENCE IN MAKING FINANCIAL DECISIONS

	Before	After	Change
Ability to make decisions about financial products and services*	15%	69%	↑ 54%
Ability to plan for your financial future*	8%	79%	↑ 71%
I am able to deal with my financial problems**	15%	81%	↑ 66%

* Per cent ‘quite confident’ or ‘very confident’.

** Per cent ‘agree’ or ‘strongly agree’.



5. PERSONAL AND OTHER WELLBEING OUTCOMES

MoneyMinded had an impact not only on participants, but also on the lives of their families and in their community. Many participants readily engaged their families with tips learned through MoneyMinded and with the programme itself, sharing the website and the lessons they had learned. 76% of survey participants reported that they shared what they learned with others.

“I have shared with friends who are in need. Reminding them of what their most important priorities are and to live within their means until they are in a better position to afford materialistic wants!” (Survey participant)

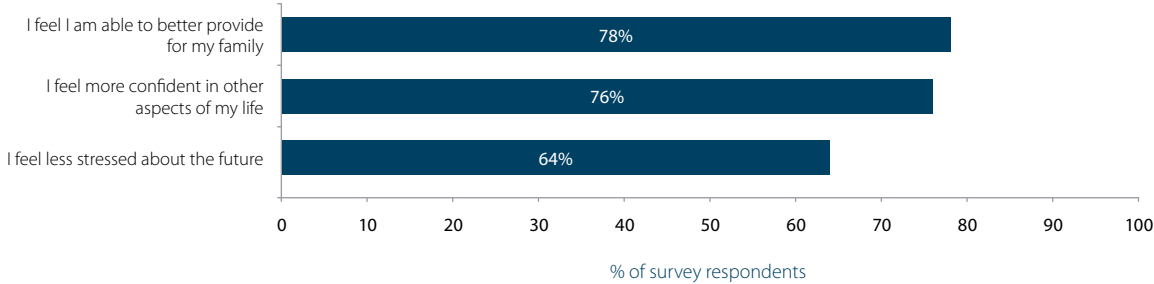
The best scenario described by participants was when their family or household worked together to achieve goals, understand the budget and how to reduce spending leaks, pay bills on time and have a similar prioritisation of needs and wants.

“We make the decision together. I think it’s better that way instead of one just doing it. Like if he does his own decision and then I find out, ‘Oh no’. Yeah, so it’s better like if we do it ourselves. I involve my oldest daughter as well, like what I did in MoneyMinded, I showed her.” (Maria, case study interview)

Survey participants reported that because of MoneyMinded, they felt more confident in other areas of their lives (76%) and were better able to provide for their family (78%) (see Figure 3). Participants also reported feeling less stressed about the future (64%) because of having participated in the programme.

“Now we understand if we can look after our kids, if we can look after our money, and don’t play with it, and we won’t lose. I love my ‘key’, I love my money now. Although it’s just a small amount, I can still exist, and so can my family.” (Participant, discussion group)

FIGURE 3. WELLBEING OUTCOMES FOR PARTICIPANTS



5.1 ATTITUDES TO MONEY, FEELINGS AND EMOTIONS

MoneyMinded often triggered a shift in participants' attitudes towards having a positive relationship with money. Economic insecurity caused or exacerbated feelings of despair, anxiety and stress. By helping participants to put into practice behaviours and strategies that helped them take control of their money brought relief, happiness and feelings of freedom for many participants.

Of note was how one participant saw money as a 'key'.

"With the money, I can open the door, and I can go outside, come inside." (Participant, discussion group)

Unlocking life and opening doors was a sentiment shared by participants who had new, positive attitudes towards money and were feeling happiness rather than anxiety and stress. This perspective induced a healthier engagement with individual and family needs, allowing fundamental financial needs to be met while providing a sense of security and freedom.

"To me it's a valuable, healthy sense of wellbeing. Not having to stress about your personal finances or situations. The feeling of reaching this would mean the world to me and my family. Never having to worry about 'I can't afford to pay for that!'" (Survey respondent)

In being able to identify detrimental financial behaviours, participants' self-confidence increased, encouraging them to adopt good money management practices that were conducive to financial wellbeing. However, transitioning from negative practices was not always easy. When using spending diaries, participants spoke how these could be quite confronting when their spending leaks were laid out in front of them. Most viewed this as a 'wake-up call' to take charge of their financial management. However, it remained a difficult realisation to work through.

Having a long-term or future-focused orientation is associated with increased financial wellbeing (Kempson et al., 2017). After MoneyMinded, participants were more likely to adopt a future focus when it came to their money compared with before MoneyMinded (see Table 13).

There was no statistically significant shift in their assessment of whether they were more of a spender versus someone who saves for the long term. However, survey respondents did indicate that they were less likely to make impulsive purchases after MoneyMinded compared with before the programme.

TABLE 13. ATTITUDES TO MONEY

	Before	After	Change
I believe the way I manage my money affects my future*	50%	87%	↑ 37%
I find it more satisfying to spend money than to save it for the long term**	40%	29%	11% (NS)
I am impulsive and tend to buy things even when I can't really afford them**	58%	21%	↓ 37%

* Proportion who 'agree' or 'strongly agree' with this statement.

** Proportion who indicated that the statement 'fits very well' or 'fits fairly well'. NS: Not a statistically significant change.

Closely tied to attitude, the emotional relief experienced by participants was a significant outcome. Emotions play an important part in our overall wellbeing, including our financial wellbeing. Financial stress and instability can affect cognitive capabilities and, consequently, decision-making. The focus group discussions revealed that participants had lived with many negative emotions associated with financial issues and MoneyMinded helped in many cases to alleviate these feelings or mediate their effects.

- **Anxiety and stress:** Not knowing how to manage money, being in the red or not being able to differentiate between needs and wants.

"Have I spent this? I'm going to miss this week's payment." (Participant, discussion group)

- **Frustration:** Not having enough, having none or owing money.

"I'm frustrated with my money because I can't hold onto it too long." (Participant, discussion group)

- **Insecurity:** Feelings of staying isolated at home, not knowing if bills can be paid or having nothing left.

"I mostly cried because I always lost hope. I didn't realise any other way to manage our finances, even our wellbeings." (Participant, discussion group)

- **Anguish and despair:** Being unable to fulfil family or cultural needs or loss of dignity.

“My entire world crashing down around my ears.” (Participant, discussion group)

The anxiety and stress caused from living precariously can be debilitating, wearing down self-worth, family bonds and wellbeing. Constant stress perpetuates negative outlooks and attitudes that extend beyond one’s relationship to money. Changing these outlooks is challenging but critical to improving financial wellbeing.

“It’s a mental and physical and emotional trauma for you because you’re constantly thinking in the back of your head, because I can’t hold on to it too long ... Then it’s just like this intense emotion that you just can’t justify the agony it’s giving you. It’s not even like physical, but it’s mental and emotional because it’s just playing with your mind.” (Participant, discussion group)

After MoneyMinded, much of the anxiety and stress burdening participants had lessened. Addressing insecurity and precarity were primary factors in reducing stress and anxiety, as having greater control over their money brought relief and fostered a positive relationship with finances.

- **Relief:** Less anxiety about money.

“I’m a lot less stressful and a lot happier now because my income ... somehow my income has increased.” (Participant, discussion group)

- **Financial freedom:** Being in control of finances, no debts and having savings.

“It makes me really happy, like having coffee or a nice donut—it makes me happy.” (Participant, discussion group)

- **Self-belief:** Having money, being able to open previously locked doors and having a sense of being unfettered from financial restrictions, such as debt and inability to pay bills.

“I’m the type that just doesn’t rely on other people’s money. I really don’t like relying on people’s money, I like to just depend on my own money, because I know that I’ve earned it, instead of having to ask others what they’ve worked for theirs.” (Participant, discussion group)



6. FINANCIAL WELLBEING FOR MONEYMINDED PARTICIPANTS IN NEW ZEALAND

Financial wellbeing is a combined psychological and financial state whereby people feel satisfied or content with their financial lives (Arnold & Rhyne, 2016; Kempson & Poppe, 2018; Muir et al., 2017). The major components of financial wellbeing are being able to meet financial commitments, feeling financially comfortable and able to enjoy life and having financial security or financial resilience for the future (Kempson & Poppe, 2018).

Financial wellbeing is of course influenced by a variety of factors, some of which are outside the control of individuals. The social, cultural and economic conditions in which people live have a significant effect on the financial behaviours and outcomes of individuals and households.

We used two methods to measure financial wellbeing: 1) Kempson et al. (2017) 11-item scale and 2) participants' self-rating of financial wellbeing. We also asked participants an open-ended question, 'What does financial wellbeing mean to you?'

The Kempson et al. (2017) financial wellbeing scale was adopted by ANZ in their national survey conducted in Australia (ANZ, 2018a) and in New Zealand (ANZ, 2018b), for older Australians (Russell, Kutin, Stewart, et al., 2018) and in a sample of Saver Plus¹⁰ participants (Russell, Kutin, & Stewart, 2018). Scores ranged between 0 and 100, with a score of 100 representing the highest level of financial wellbeing.

The ANZ (2018b) study of the general population in New Zealand found that the average financial wellbeing score was 59 out of 100. The component scores out of 100 were 72 for meeting commitments, 54 for feeling comfortable and 52 for financial resilience. Key behaviours important for financial wellbeing, which generally distinguished those who were 'getting by' and those categorised as 'struggling', were not borrowing for everyday expenses and the practice of active saving. For those 'struggling', many were uncomfortable with their financial positions, having trouble meeting day-to-day needs and little financial resilience for the future (ANZ, 2018b).

6.1 FINANCIAL WELLBEING SCORES

Overall, participants' average financial wellbeing scores improved significantly after doing MoneyMinded compared with their initial retrospective assessment of their financial wellbeing before doing the programme.

Before MoneyMinded, we calculated survey participants' average financial wellbeing score to be **28** out of 100 (see Table 14). After MoneyMinded, their average score increased to **65**. This is a clear and large improvement in participants' abilities to manage their income sustainably and adopt behaviours that contribute to financial wellbeing. The extent of the difference may also reflect the high level of enthusiasm for MoneyMinded, its influence on their financial lives and the desire for the programme to continue. Studies that measure knowledge, behaviours and attitudes towards topics such as money can sometimes be influenced by what is known as 'socially desirable responses' (Kelly, 2015). This can potentially over- or (under)-estimate results of surveys that use self-reported responses (de Vaus, 2014; Krosnick, 1999). We recommend caution in interpreting the change in average financial wellbeing scores from **28** to **65** out of 100 or in comparing it with the national average.

The difference between the 'before' and 'after' scores for the three components and the overall financial wellbeing scores were statistically significant—all participants reported an improvement in their financial wellbeing.

87% of participants scores improved under 'meeting commitments', 87% had improved 'feeling financially comfortable' scores and 89% had improved 'financial resilience'. Following is a summary of the indicators within each of the components: meeting commitments, feeling financially comfortable and having financial resilience.

TABLE 14. AVERAGE FINANCIAL WELLBEING SCORES FOR NEW ZEALAND SURVEY PARTICIPANTS

NZ MoneyMinded participants (n = 53)	Meeting commitments	Feeling financially comfortable	Financial resilience	Total financial wellbeing score
Before MoneyMinded	35	32	18	28
After MoneyMinded	71	72	50	65

6.2 MEETING COMMITMENTS

MoneyMinded helped survey participants to better meet their financial commitments. This component includes not running short of money and being able to pay bills and meet other expenses on time.

Before MoneyMinded, only 19% of survey participants said they 'never' or 'rarely ran out of money' for food and other regular expenses. After MoneyMinded, this proportion increased to 68%.

Before MoneyMinded, only 6% of participants were able to pay bills and other credit commitments 'without any difficulty' and after MoneyMinded this figure was 53%.

Before MoneyMinded, only 15% said they could readily pay their bills and other financial commitments at final notice. After MoneyMinded, 74% of participants were able to meet these commitments.

6.3 FEELING FINANCIALLY COMFORTABLE

Before MoneyMinded, only 10% of survey participants would 'often' or 'always' have money left over after paying for necessities. After MoneyMinded, 68% of participants reported having money left over.

Participants were asked how they viewed their household financial situation. 8% of participants reported it to be 'very good' or 'quite good' before the programme. After MoneyMinded, 90% of participants viewed their financial

situations optimistically ('quite good' or 'very good'). Further, 74% felt 'quite confident' or 'very confident' about their future financial situation when thinking about the 12-month period following the time of the survey (compared with 19% prior to the programme).

When asked if their finances allowed them to enjoy their life and do the things they want, 11% said that before the programme this description fitted them 'very well' or 'fairly well'. After doing MoneyMinded, 75% said their finances allowed them to enjoy life.

"Money is more like a key to open the door. For example, like MoneyMinded, without the money, my mind's going to be stressed. And with the money, I can open the door, and I can go outside, come inside. Without that key, I can go through the window. I love my key, I love my money now. Although it's just a small amount, I can still exist, and so can my family." (Participant, discussion group)

Photo credit: Hamish Melville



6.4 FINANCIAL RESILIENCE

Having financial resilience means being able to cope with a financial shock, such as an unexpected expense, without suffering financial hardship or going into debt (ANZ, 2018a; Kempson et al., 2017; O'Connor et al., 2019).

Before MoneyMinded, only 9% of participants felt they would have enough money to pay ('all of it') for an unexpected expense equivalent to a month's income. After MoneyMinded, 26% of participants felt they had saved enough to cope with such an expense.

Before MoneyMinded, 57% of participants said they would need to borrow money from the bank, family or friends or use a credit card to meet an unexpected expense equivalent to a month's income ('to cover all of it'). After MoneyMinded, this figure fell to 6%.

Before MoneyMinded, 9% of participants reported that if their income fell by a third, they could meet all their expenses without needing to borrow for three months or more. After MoneyMinded, this figure increased to 21%. Conversely, before MoneyMinded, 70% of participants said they could only cover their expenses for less than one month if their income fell by one third. After MoneyMinded, this decreased to 32%.

Participants reported increasing their savings since doing MoneyMinded, helping to strengthen their financial resilience. When asked how many months' worth of income they had in savings, 81% said they did not have any savings. This figure decreased to 21% after doing MoneyMinded. 25% had saved at least three months' income compared with only 2% before MoneyMinded.

6.5 WHAT DOES FINANCIAL WELLBEING MEAN TO PARTICIPANTS IN NEW ZEALAND?

Participants were asked to rate their level of financial wellbeing on a five point scale ('very low' to 'very high'). Only 4% of participants rated it as 'very high' or 'high' before MoneyMinded. After MoneyMinded, 55% rated it as 'very high' or 'high'.

When participants were asked to indicate the effect MoneyMinded had on their financial wellbeing, 96% of participants said that MoneyMinded had a 'very positive' (40%) or 'positive' (56%) effect on their financial wellbeing.

The question of what financial wellbeing meant to participants was met with a variety of viewpoints. Common themes included a mix of subjective and objective meanings: financial freedom and self-determination, lack of stress, positive credit scores, being debt-free, having savings, having a rainy day reserve in case of emergencies, knowledge of how to save and simply being able to 'put one's feet up'.

"I think it's like ... A lot of things, but in a positive way, financial wellbeing, just having a healthy relationship with money, being responsible with money, and just like living within your means too." (Participant, discussion group)

The participants' descriptions of financial wellbeing closely reflect the academic definition of Kempson et al (2017) and others. Participants do see financial wellbeing as being able to cope with their expenses, contribute to their community, participate in their cultural activities and manage unexpected expenses when they arise.

"I think it means being financially stable and being able to do day to day things that you need and want for your wellbeing. It will feel amazing if I could be financially stable, I can do what I want, when I want and how I want." (Participant, survey)

Participants from both discussion groups described financial wellbeing in the following ways:

- 'I can't go without food, and I can't go without knowing I've got more than enough'.
- 'To me, financial freedom is having nothing else to pay and having lots of savings'.
- 'For me, financial wellbeing is money, survival'.
- 'To have a land that's given to you by your family, you can build a house, grow some vegetables and raise some animals and you'll be fine'.
- 'Financial wellbeing for me is having a plan of action for the future'.
- 'Financial wellbeing is about realising what you've got, when you've got it, looking at what you truly need'.
- 'Being able to help myself and help somebody else'.

Participants also described financial wellbeing in their survey answers:

- 'In my point of view, financial wellbeing means you know how to use your money wisely'.
- 'Financial wellbeing for me is like being financially independent without having to grab loans, borrow from family or pawning your goods'.
- 'Financially secure, money minded, aware of your spending'.
- 'Thinking about saving money for the future and to teach children the meaning of money and how to save as well as staying out of debt'.

These views from the participants after engaging with MoneyMinded provides a rich picture of what financial wellbeing would mean to them and how it would look in their lives. Their experiences are indicative of improved financial practices and changes to behaviour, attitude and circumstances.

Photo credit: Hamish Melville



“BEFORE MONEYMINDED, WE DIDN’T PAY BILLS ON TIME. YOU HAVE TOO MANY THINGS TO PAY, YOU’RE STUCK AND THEN THINK, ‘WELL, I’VE GOT TO PUT THAT MONEY HERE, OH GEEZ, THERE’S NOT ENOUGH TO PUT OVER THERE’.”
(MARIA, NEW ZEALAND MONEYMINDED PARTICIPANT)

7. CASE STUDY

MARIA: SHARING MONEYMINDED WITH HER FAMILY

Maria*, a Cook Islander from Rarotonga, lives in Auckland with her husband, brother and four of her six children. She also has six grandchildren. MoneyMinded gave her and her family the tools, knowledge and mindset to change how they thought about and used their money. The programme gave Maria and her family the ability to pay down existing debt and plan towards achieving their future goal of returning to the Cook Islands to live and buy their own home.

Maria has two children still in school. While they have always prioritised school costs, they often struggled with other general living costs as do many in their community. Maria finds Auckland to be an expensive city and paying rent and electricity bills were major concerns. Maria’s family struggled with high electricity costs, especially during the winter. They would not use their heater because they could not afford it—their electricity bill was already \$300 per month. Maria said they would just use more blankets and wear warmer clothes instead of risking an even higher bill.

For Maria, life became even more stressful when her husband lost his job when the company he worked for permanently shut down right before Christmas last year. Maria and her husband needed to live off government income support to cover bills while her husband looked

for work. This event prompted Maria to undertake further education and she enrolled in the Solomon Group’s WAM¹¹ (Families Moving Forward) course, a free 35-week programme that included the MoneyMinded programme.

Maria loved the chance to learn again, as she was unable to finish high school when she was younger. Learning about financial and family education created a change in mindset for Maria, and she is hoping her new qualification will help her find work and earn additional income for her family.

“What motivates me is the learning, going back to school.”

MoneyMinded helped Maria and her husband to pay bills on time, put savings away every week and plan their budgets. Before MoneyMinded, Maria never really thought about saving. Instead, Maria was living day-to-day with expenses, not pre-planning purchases from the supermarket and buying takeaway meals whenever the family asked for it.

Learning about MoneyMinded helped Maria and her family identify their needs and wants, differentiating between what they needed to prioritise and what they could do without. Before MoneyMinded, Maria did not realise she could have more than one bank account. She now has two separate accounts—one for saving and one for paying bills—that have helped her better manage the family’s money.

* Not her real name

11. <https://www.solomongroup.co.nz/our-courses/whanau/>

12. KiwiSaver is the New Zealand retirement saving account.

Maria and her husband now sit down together once a week to plan their finances and prioritise their spending for the week. Maria has started including her daughter, aged 18, in this process, as her daughter has recently started working and is saving towards a new bed. Maria showed her daughter MoneyMinded and encouraged her to start her own KiwiSave¹² account to save for her future. MoneyMinded gave Maria the skills and knowledge to have conversations with her daughter about money and has been able to help her daughter put a savings plan in place to balance her needs for now while working towards a future goal.

“When my daughter wasn’t working, she’ll ask for money and she’d just spend, spend, spend. Now that she’s working, she’s saving.”

MoneyMinded helped Maria and her family change their mindset. Rather than being held back and restrained by financial stress, they have security and are paying down debt. Maria now knows that loans, while helpful in the short term, are only making more bills for her and her husband to pay and are working quickly to pay everything off.

“So, we have decided now, we put more money on our debt but, mind you, we work out whatever is left for us too, to look after ourselves. Maybe like just to buy food for the week but, we do pay more, pay more on our debt, just to get it down fast.”

Maria enjoyed learning about MoneyMinded and felt relief from the constant worries she had about money and her family’s debts. Maria felt that MoneyMinded ‘has opened a lot of doors.’

The family gets together every Sunday for a special lunch to celebrate the end of the week and spend time together.

“Before, it’s like a stress, bills aren’t paid on time and then you just get angry, then you just share your anger with everyone else. Now that I found MoneyMinded, we’re a lot happier.”

Maria has set up separate accounts for bills and living expenses, and as soon as their debt is paid off they will have a savings account for a rainy day—a safety net to fall back on. Maria and her family are working hard together. Their financial wellbeing is looking brighter as Maria and her family work towards greater stability. Together with her husband’s KiwiSaver, their financial wellbeing should continue to grow in the future.

“We make financial decisions together. It’s better that way—this is our money.”

Maria and her husband have a long-term plan to return to their home country, the Cook Islands, and buy their own home.

Photo credit: Hamish Melville



REFERENCES

- ANZ. (2018a). *Financial wellbeing. A survey of adults in Australia*. Retrieved from Melbourne, Australia: <https://www.anz.com/resources/2/f/2f348500-38a2-4cfe-8411-060cb753573d/financial-wellbeing-aus18.pdf?MOD=AJPERES>
- ANZ. (2018b). *Financial wellbeing. A survey of adults in New Zealand*. Retrieved from New Zealand: <https://bluenotes.anz.com/content/dam/bluenotes/images/financial-wellbeing/ANZ%20Financial%20Wellbeing%20Summary%20Report%20-%20New%20Zealand.pdf>
- Arnold, J., & Rhyne, E. (2016). *A change in behavior. Innovations in financial capability*. Retrieved from <https://content.centerforfinancialinclusion.org/wp-content/uploads/sites/2/2018/09/a-change-in-behavior-final-2.pdf>
- Australian Bureau of Statistics. (2016). *Household income and wealth, Australia, 2013-14*. Retrieved from Canberra, Australia: <http://www.abs.gov.au/ausstats/abs@.nsf/Lookup/by%20Subject/6523.0~2013-14~Main%20Features~Financial%20Stress%20Indicators~33>
- Banks, M., Marston, G., Russell, R., & Karger, H. (2015). 'In a perfect world it would be great if they didn't exist': How Australians experience payday loans. *International Journal of Social Welfare*, 24(1), 37-47. doi:10.1111/ijsw.12083
- Comerton-Forde, C., Ip, E., Ribar, D. C., Ross, J., Salamanca, N., & Tsiaplias, S. (2018). *Using survey and banking data to measure financial wellbeing*. Retrieved from https://fbe.unimelb.edu.au/__data/assets/pdf_file/0005/2839433/CBA_MI_Tech_Report_No_1_Chapters_1_to_6.pdf
- de Vaus, D. (2014). *Surveys in social research* (Sixth ed.). Crows Nest, NSW: Allen & Unwin.
- Fernandes, D., Lynch, J. G., & Netemeyer, R. G. (2014). Financial literacy, financial education, and downstream financial behaviors. *Management Science*, 60(8), 1861-1883. doi:10.1287/mnsc.2013.1849
- Kelly, N. L. (2015). *Examining social desirability bias in measuring financial behavior. Theses and Dissertations. 464*. (Master of Science). Illinois State University, Retrieved from <https://ir.library.illinoisstate.edu/etd/464/>
- Kempson, E., Finney, A., & Poppe, C. (2017). *Financial well-being: A conceptual model and preliminary analysis. Final edition. Consumption Research Norway SIFO*. SIFO Project Note no. 3. Consumption Research Norway SIFO. Oslo, Norway. Retrieved from <http://www.bristol.ac.uk/geography/research/pfrc/themes/fincap/financial-wellbeing-conceptual-model/>
- Kempson, E., & Poppe, C. (2018). *Understanding financial well-being and capability. A revised model and comprehensive analysis. Professional report no. 3*. Retrieved from Oslo, Norway: https://www.researchgate.net/publication/326847922_Understanding_Financial_Well-Being_and_Capability_-_A_Revised_Model_and_Comprehensive_Analysis
- Krosnick, J. A. (1999). Maximising questionnaire quality. In J. P. Robinson, P. R. Shaver, & L. S. Wrightsman (Eds.), *Measures of social psychological attitudes, Vol. 2. Measures of political attitudes* (pp. 37-58). San Diego, CA: Academic Press.
- Muir, K., Hamilton, M., Noone, J. H., Marjolin, A., Salignac, F., & Saunders, P. (2017). *Exploring financial wellbeing in the Australian context*. Retrieved from Sydney, Australia: <http://www.financialliteracy.gov.au/media/560752/research-unsw-fla-exploringfinancialwellbeingintheaustraliancontext-report-201709.pdf>
- O'Connor, G. E., Newmeyer, C. E., Wong, N. Y. C., Bayuk, J. B., Cook, L. A., Komarova, Y., . . . Warmath, D. (2019). Conceptualizing the multiple dimensions of consumer financial vulnerability. *Journal of Business Research*, 100, 421-430. doi:10.1016/j.jbusres.2018.12.033
- Russell, R., Kutin, J., & Stewart, M. (2018). *Saver Plus: Pathways to wellbeing*. Retrieved from Melbourne, Australia: <http://www.anz.com/about-us/corporate-sustainability/community/investing/saver-plus/>
- Russell, R., Kutin, J., Stewart, M., & Cai, R. Y. (2018). *Financial wellbeing: Older Australians*. Retrieved from https://bluenotes.anz.com/content/dam/bluenotes/documents/ANZ%20Financial%20Wellbeing%20Report%202018_web.pdf
- Russell, R., Stewart, M., & Cull, F. (2015). *Saver Plus: A decade of impact*. Retrieved from Melbourne, Australia: <http://www.anz.com/resources/a/7/a7ab5ce8-9cf1-42f6-8a02-46dfe2fe5194/saver-plus-decade-impact.pdf?MOD=AJPERES>
- Tang, N., & Baker, A. (2016). Self-esteem, financial knowledge and financial behavior. *Journal of Economic Psychology*, 54, 164-176. doi:10.1016/j.joep.2016.04.0050167-4870/

