



SAVER PLUS:

PATHWAYS TO WELLBEING

MAY 2018

With special thanks

We express our deep appreciation to the Saver Plus participants who contributed to the research by responding to the survey and sharing their experiences through interviews.

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More information about Saver Plus, including past reports, can be found at anz.com/saverplus and bsl.org.au/saverplus.

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Cover photo

Sharon, pictured with her daughter Sarah-Kate, is a Saver Plus participant from Western Australia.

SAVER PLUS PARTNER ORGANISATIONS



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FOREWORDS



In the Brotherhood of St Laurence's vision for an Australia free of poverty, better financial literacy and money management skills play an important part in assisting Australians on low incomes to strengthen personal resilience, overcome disadvantage and fully participate in our community.

Saver Plus is underpinned by a strong research program that sits, hand in hand, with the Brotherhood's broader focus on robust services that are based on sound evidence of what helps people overcome disadvantage to improve their wellbeing and fulfil their aspirations for better lives.

This research tells us that Saver Plus makes real and tangible improvements to the wellbeing of the people who take part. Some 87% of all participants continue to save the same amount or more three to seven years after completing the program, while 73% of all respondents felt they were better able to provide for their families.

Excitingly, for the first time we can measure improvements in financial wellbeing. We know that people who complete Saver Plus are more able to meet their financial commitments, feel financially comfortable, have more resources to enjoy life and experience greater resilience. These all contribute to a brighter and more secure future for the individuals, families and communities we work with.

We cannot do this work alone and nor do we want to. Our Saver Plus partners are essential to reaching and supporting individuals and families in 60 communities across Australia. Together, we are driving substantial change.

We are proud of our work, our people and our partnership. Through our efforts together, the Saver Plus program has made long lasting transformations in the lives of thousands of Australians. In the years ahead we look forward to continuing to achieve the inspirational life changes you will read about in these pages, with many more people.



Conny Lenneberg
Executive Director, Brotherhood of St Laurence



Developed in 2003 with the Brotherhood of St Laurence, Saver Plus utilises the combined power of goals, incentives and personal support to assist lower income Australians develop long-term saving habits.

To date, more than 36,000 Australians have participated in Saver Plus, which is the largest and longest-running matched savings program in the world, and arguably the most successful.

For the first time in this report, RMIT University has explored the connection between active savings behaviour and the overall financial wellbeing of Saver Plus participants. This research shows the program has made a significant difference, with the average financial wellbeing score of participants increasing from 36 to 64 (out of 100) following the program (the Australian national average score is 59).

This is extremely encouraging as it demonstrates that there are strong links between increasing savings and resilience, financial wellbeing and overall wellbeing.

Partnership is key to the success of Saver Plus, so I wish to express my deepest thanks to our community partners: the Brotherhood of St Laurence, Berry Street, The Benevolent Society and The Smith Family and other community organisations, for delivering Saver Plus so effectively, and working with us to continually refine the program.

For our part, ANZ remains committed to improving the financial wellbeing of Australians by equipping them to be more in control of their money throughout their lives. Savings behaviour plays a very important role and we have again seen how Saver Plus provides support for many people in the community to build their skills.

I'd also like to thank and acknowledge the Australian Government for their role in our cross-sector partnership – providing funding to the Brotherhood of St Laurence and other community organisations to enable Saver Plus to be delivered in more than 60 communities across Australia.

Finally, my thanks to our long term research partner RMIT University and the many Saver Plus participants over the years who have participated in the evaluations and shared their experiences of the program.



Fred Ohlsson
Group Executive, Australia, ANZ



As the new CEO of Berry Street, I am proud to lead an organisation that has played an important role in improving the financial capability and savings behaviour of thousands of Australians.

Berry Street works across nine Victorian communities in the delivery of Saver Plus – many of those in regional and rural areas. From Wodonga to Wellington, families and individuals have learnt to plan, budget and save to support their children's education or their own vocational training. The outcomes for individuals and families achieved to date have been incredible and heartening.

Berry Street is pleased to be a partner in the delivery of a program that sets the benchmark on how community, business and government can work together in a successful, long term way. We are particularly appreciative of ANZ's strong commitment to this program over many years and our shared vision of improving financial literacy for all Victorians, but particularly vulnerable Victorians.

We look forward to working with all the program partners in the years to come.

Michael Perusco
CEO, Berry Street



Since 2003, Saver Plus has been an important program for The Benevolent Society, with our staff supporting over 6,600 people to participate and gain the financial independence and positive outcomes that flow from that.

Our vision is for all Australians to live their best lives. That means supporting children and their families; helping older Australians to age well at home; and providing support to people with disability so they can live the life they choose.

We know how important financial control is to an individual's resilience and independence. With this research showing that 80% of participants gained more control over their finances through Saver Plus, we believe Saver Plus to be an important service for the people and communities with whom we work.

Research such as this is vital to the delivery of impactful financial inclusion services, and it should also provide a meaningful contribution to the debate surrounding the comprehensive system reform of our sector.

We are proud of the partnership we have with ANZ, the Brotherhood of St Laurence, The Smith Family and Berry Street, and of the impact it has demonstrated across Australian communities.

Joanne Toohey
CEO, The Benevolent Society

FOREWORDS



The Saver Plus program has made a life-changing difference to thousands of families. The Smith Family supports these families whose lives are often complex and unpredictable, who can struggle to plan any sort of financial future for themselves.

Since our partnership commenced, nearly 20,000 low-income families across Australia have participated in the program through The Smith Family, attaining vital skills to plan, budget, and save to support their child's education.

When parents are equipped with the knowledge, skills and confidence to support their child's learning, the benefits for children extend well beyond their education into their working lives.

For this reason Saver Plus is an integral part of The Smith Family's programs to improve the educational outcomes of disadvantaged young Australians.

As evidenced in this report, Saver Plus continues to deliver consistent and enduring results. We are proud to be a partner in this long term, effective program.

We look forward to our continued partnership to help make a lasting difference to the lives of families in need.



Dr Lisa O'Brien
CEO, The Smith Family



Helping Australians who are in financial difficulty to learn new skills and strategies will give them the opportunity to take greater control of their lives and hopefully avoid those pitfalls in the future.

The Turnbull Government invests around \$100 million a year in emergency relief, financial counselling, financial capability, and microfinance services.

The Government's Financial Wellbeing and Capability Activity supports programs and services to assist thousands of people across Australia in times of financial crisis, and help them build longer-term financial capability.

Saver Plus is an outstanding example of work done in this sector.

Developed in 2003 by the Brotherhood of St Laurence and ANZ, as this report demonstrates, Saver Plus has improved the saving behaviour and financial capability of over 36,000 people in 60 communities across Australia. It remains the largest and longest-running matched savings program in the world.

Saver Plus highlights the value of the Government working in partnership with business and community organisations to support Australians.

I commend the work of the Brotherhood of St Laurence and ANZ in improving the lives of our most vulnerable, enabling them to better manage their finances, and approach the future with confidence, skills and knowledge.



Dan Tehan MP
Minister for Social Services

SAVER PLUS COMMUNITIES

Saver Plus is delivered in 60 communities across Australia.

45 Saver Plus sites are managed by a locally-based Saver Plus Coordinator and offer full face-to-face service and support for participants.

15 Saver Plus sites are managed through a remote service delivery model, which includes some online elements and support from a central Saver Plus Coordinator at the delivery organisation and/or the Saver Plus National Office (SPNO).

State	Delivery organisation	
Victoria		
(Albury and) Wodonga	BS	📍
Ballarat and surrounding districts	BGT	
Bass Coast and South Gippsland	BSL	📍
Brimbank	TSF	
Casey and Cardinia	BSL	
Craigieburn and surrounding districts	BSL	
East Gippsland	BS	📍
Frankston and Mornington Peninsula	BSL	
Greater Bendigo	BSL	
Greater Dandenong, Monash and Knox	BS	
Greater Geelong	B	
Greater Shepparton	BS	
Latrobe Valley	BS	
Maryborough and surrounding districts	BSL	📍
Mildura and surrounding districts	BSL	📍
Moira and Campaspe	BS	📍
Port Phillip, Glen Eira and Kingston	JCV	
Ringwood	BS	
Wangaratta, Benalla and Alexandra	BS	
Wellington	BS	📍
Werribee	TSF	
Yarra, Moreland, Darebin and Moonee Valley	BSL	
New South Wales		
Albury (and Wodonga)	BS	📍
Bathurst and Orange	TBS	📍
Blacktown and Penrith	TSF	
Central Coast	TSF	
Coffs Harbour	TSF	
Dubbo and surrounding districts	TSF	📍
Fairfield	TSF	
Greater Taree	TSF	📍
Hurstville	TBS	
Illawarra and Wollongong	TSF	
Inner West Sydney	TBS	
Macarthur region	TBS	
Newcastle	TSF	
Sydney metro	TBS	
Tamworth and surrounding districts	TBS	📍
Wagga Wagga and surrounding districts	TSF	

State	Delivery organisation	
Australian Capital Territory		
Canberra and Queanbeyan region	TSF	
Queensland		
Brisbane North	TSF	
Brisbane South	TSF	
Cairns	TBS	
Gold Coast North (Nerang)	TBS	
Gold Coast South (Coolangatta)	TSF	
Ipswich	TSF	
Logan	TBS	
Moreton Bay	TBS	
Rockhampton	TSF	
Sunshine Coast	TSF	
Townsville	TSF	
South Australia		
Adelaide Northern region	TSF	
Port Adelaide, Enfield and Charles Sturt	TSF	
Salisbury and Playford	TSF	
South Adelaide	TSF	📍
Northern Territory		
Darwin and surrounds	BSL	📍
Western Australia		
Albany	BSL	📍
Kwinana and Rockingham	TSF	
Mandurah	BSL	📍
Mirrabooka	TSF	
Tasmania		
Northern Tasmania	TSF	
Southern Tasmania	TSF	

Key to Delivery Organisations

- BGT** Ballarat Group Training
- BS** Berry Street
- B** Bethany Community Support Inc.
- BSL** Brotherhood of St Laurence
- JCV** Jewish Care Victoria
- TBS** The Benevolent Society
- TSF** The Smith Family
- 📍 Managed through remote service delivery model

EXECUTIVE SUMMARY

This report presents an evaluation of Saver Plus, a financial education and matched savings program developed by ANZ and the Brotherhood of St Laurence in 2003.

To date, over 36,000 people have completed Saver Plus across 60 locations in Australia. This evaluation includes a sample of participants enrolled from 2009 to 2016.

ANZ and the Brotherhood of St Laurence partner with key community organisations to develop and deliver Saver Plus. The partner organisations are: The Benevolent Society, Berry Street and The Smith Family. Ballarat Group Training, Bethany and Jewish Care Victoria also deliver the program.

The Australian Government has supported Saver Plus since 2009. The Saver Plus model reflects best practice in community-business-government partnership.

Participants in Saver Plus are enrolled for 10 months, save regularly towards purchasing an education product for themselves or their child(ren) and have their savings matched at a rate of 1:1 (up to a capped amount of \$500 per participant). Participants complete financial education (ANZ's MoneyMinded¹ program), and receive support from a community organisation.

In this evaluation we explored changes to participants' saving behaviour, financial capabilities and financial wellbeing.

**SAVER PLUS CONTINUES TO MEET ITS
PRIMARY GOAL TO HELP PARTICIPANTS
CREATE AND MAINTAIN A SAVINGS
HABIT, BUILD FINANCIAL RESILIENCE
AND IMPROVE FINANCIAL CAPABILITIES.**

KEY FINDINGS

Ongoing saving

- 87% of survey respondents were saving the same amount or more 3 to 7 years after completing Saver Plus.

Value of savings and assets

- 72% of survey respondents reported that the total value of their savings and assets had increased since completing Saver Plus.

Financial capabilities

- 78% of survey respondents were better able to make ends meet after participating in Saver Plus
- 73% of survey respondents were better able to provide for their families
- 80% of survey respondents reported that Saver Plus helped them gain more control over their finances
- Saver Plus helped survey respondents extend their planning timeframes. Before Saver Plus, 63% of respondents reported planning their savings and spending over less than a fortnight period. After the program, all but 23% were now planning over a longer timeframe
- 86% of survey respondents said they now shopped around more when buying products or services
- 82% of survey respondents were more aware of where to get help with financial decision-making
- 80% of survey respondents reported having a better understanding of the range of financial products available than they did prior to participating in Saver Plus.

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

Saver Plus and financial wellbeing

Using the Kempson *et al.* (2017) financial wellbeing scale we measured changes to survey respondents' financial wellbeing. The financial wellbeing scale is comprised of three components: meeting commitments, feeling financially comfortable, and resilience for the future. The financial wellbeing scores range from 0-100.

The average financial wellbeing score of respondents before participating in Saver Plus was 36 and after Saver Plus the average score increased to 64.

The change in scores for each component of financial wellbeing

- Meeting commitments: before Saver Plus participants had an average score of 50 and after Saver Plus this increased to 75
- Feeling financially comfortable: before Saver Plus the average score was 36 and after Saver Plus it increased to 58
- Resilience for the future: before Saver Plus the average score was 27 and after Saver Plus it was 36.

Ongoing saving behaviour

- Survey respondents who increased the amount of monthly savings deposits following Saver Plus also experienced increased financial wellbeing (score increased from 38 to 73).

Characteristics of survey respondents

- Both men and women experienced improved financial wellbeing after participating in Saver Plus, although men had overall higher financial wellbeing scores pre- and post-Saver Plus than women
- Survey respondents who were part of a couple had the highest levels of financial wellbeing pre- and post-Saver Plus. Participants across all family types experienced improved financial wellbeing after participating in Saver Plus.

Increase in financial self-efficacy

Financial self-efficacy is related to an individual's self-confidence to manage their financial lives. It can refer to self-belief in having the skills and knowledge to make effective financial decisions and also attitude to tackling adverse financial events (Lown, 2011). We used Lown's six item scale to measure levels of financial self-efficacy of respondents. A score was calculated based on their answers. The minimum possible score was six and the maximum was 24.

- Survey respondents' levels of financial self-efficacy significantly improved over time. The average participant score before Saver Plus was 12.5 and after completion it was 17.0. Improved financial wellbeing was associated with increased levels of financial self-efficacy.

Financial engagement

After completing Saver Plus:

- 89% of survey respondents still used a dedicated savings account
- 59% of survey respondents changed bank accounts to better suit their needs
- 70% of survey respondents reviewed their insurance policies.

Personal wellbeing outcomes

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

- 88% of survey respondents agreed that achieving their Saver Plus goal helped them to feel better about themselves
- 67% of survey respondents felt more confident in other aspects of their lives
- 69% of survey respondents felt less stressed about the future
- 58% of survey respondents worried less about money
- 83% of survey respondents reported that the product they purchased using their matched savings on successful completion of Saver Plus had a positive effect on their own or their children's education experience
- Survey respondents reported significant increases in life, financial and employment satisfaction from before they enrolled in Saver Plus
- 46% of survey respondents stated that their participation in Saver Plus had helped them deal with a stressful life event since they had completed the program.

SAVER PLUS PROGRAM IMPACTS FROM 2009 TO 2016

FINANCIAL WELLBEING² AFTER SAVER PLUS

Average financial wellbeing score before Saver Plus:

36

Average financial wellbeing score after Saver Plus:

64

Australia average financial wellbeing score³:

59



IMPROVEMENT IN COMPONENTS OF FINANCIAL WELLBEING AFTER SAVER PLUS

MEETING COMMITMENTS



FEELING FINANCIALLY COMFORTABLE



RESILIENCE FOR THE FUTURE



87%

participants saving the same amount or more, 3 to 7 years after completing Saver Plus

MONEY MANAGEMENT AFTER SAVER PLUS



78%

were better able to make ends meet

FINANCIAL DECISION MAKING AFTER SAVER PLUS



86%

shopped around more when buying products and services

PERSONAL WELLBEING AFTER SAVER PLUS



100%

experienced increases in life, financial and employment satisfaction

2. Using Kempson *et al.* (2017) financial wellbeing scale, which is comprised of three components: meeting commitments, feeling financially comfortable, and resilience for the future. The financial wellbeing scores range from 0 – 100.

3. Data from ANZ (2018) Financial Wellbeing: A survey of adults in Australia.

1. INTRODUCTION

Saver Plus is a financial education and matched savings program that has improved the financial capabilities and savings behaviour of over 36,000 Australians.

Saver Plus has been running for over 15 years and is delivered in 60 communities across Australia. It remains the largest and longest-running matched savings program in the world, and is arguably the most successful.

Saver Plus evaluations have provided a robust evidence base, demonstrating the successful combination of elements including financial education, support and incentive to encourage people on low-incomes to set financial goals, save, and improve financial capabilities. Combined with a cross-sector investment and partnership model, Saver Plus has continued to evolve, improving the financial wellbeing of many lower-income Australians.

Active saving behaviour is increasingly being noted as important to financial wellbeing (ANZ, 2018; Kempson, Finney & Poppe, 2017). Having savings gives security, provides a financial buffer, builds resilience and lifts personal confidence. Programs that specifically promote savings, providing tools and support to help people establish a successful savings mindset, have the potential to deliver a wide range of benefits to participants and the community. This behaviour is more important than financial knowledge alone. Building savings increases household resources which, in turn, has a positive effect on mindset, behaviours and wellbeing (Sherraden, 1991).

This report provides an evaluation of the outcomes of Saver Plus for participants enrolled between 2009 and 2016. In particular, we focused on measuring changes in participants' savings behaviour and financial wellbeing outcomes. Past participants' survey data, qualitative interview data, enrolment details and Saver Plus banking data informed the evaluation.



“Saver Plus has given me an absolute freedom, which I didn’t think I was going to have for years to come.”

Stacey, a Victorian Saver Plus participant supported by Berry Street.
(Click [here](#) to view her story).



2. ABOUT SAVER PLUS

2.1 PROGRAM PARTNERS

Saver Plus was designed and developed by ANZ and the Brotherhood of St Laurence in 2003. Since 2009 the Australian Government has supported Saver Plus as a funding partner along with ANZ, providing a best practice example of community-business-government partnership. While each partner contributes their own expertise and resources, all are committed to improving the financial wellbeing of lower-income Australians. Saver Plus partner organisations include The Benevolent Society, Berry Street, and The Smith Family, each of which has been instrumental in the governance and development of the program since its inception.

ANZ and the Brotherhood of St Laurence continue to work together in overseeing, supporting and improving the program. ANZ provides matching funds for participants, banking systems and various program resources and infrastructure. The Saver Plus National Office (SPNO), housed within the Brotherhood of St Laurence, provides quality control and central administration of the program, and support to all agencies delivering Saver Plus.

Saver Plus is delivered in 60 communities across Australia through partner and other community organisations under a licence agreement. The licence agreement with each delivery organisation ensures the program is implemented consistently across all sites. The following organisations currently deliver the program: Brotherhood of St Laurence, The Benevolent Society, Berry Street, The Smith Family, Ballarat Group Training, Bethany Community Support Inc. and Jewish Care Victoria.

2.2 PROGRAM DESIGN

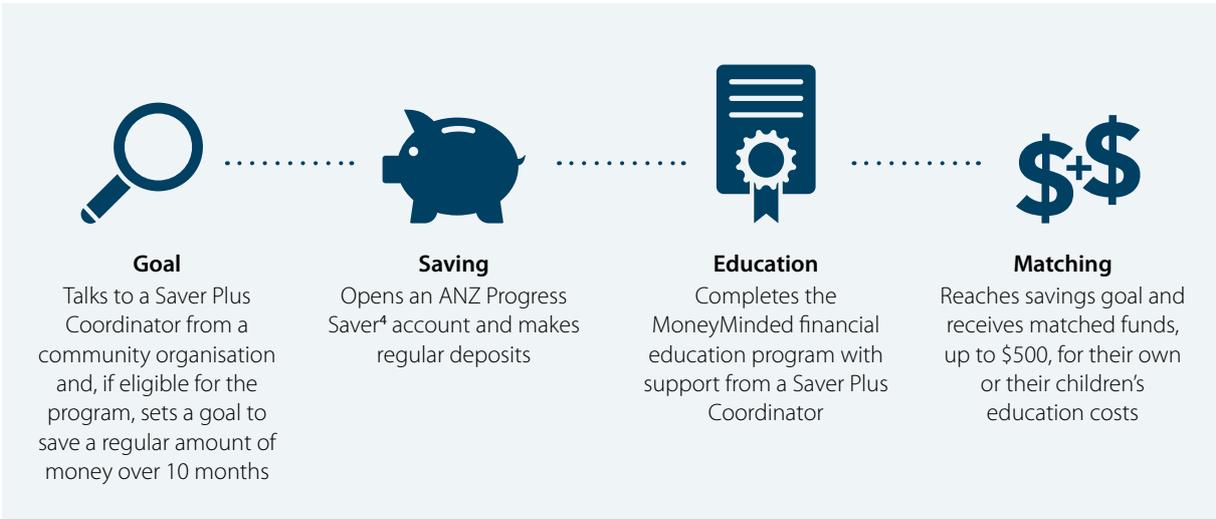
Saver Plus is designed to support participants in the development of a savings habit and the building of their financial capabilities. Figure 1 outlines the journey of a Saver Plus participant.

2.3 ELIGIBILITY CRITERIA

Participants must:

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

FIGURE 1. A SAVER PLUS PARTICIPANT’S JOURNEY



4. Progress Saver account is a basic, fee-free ANZ savings product offering bonus interest. Participant savings behaviour is tracked through transaction banking data on the account during participation in Saver Plus.

3. BACKGROUND AND LITERATURE REVIEW

3.1 INTRODUCTION

Having savings, and being an active saver are important drivers of financial wellbeing (Kempson, Finney, & Poppe, 2017). Financial wellbeing is a critical component of overall wellbeing as measured by the OECD (2011) Better Life Index and also the Australian Unity Wellbeing Index (Australian Unity, 2017; Capic, Li, & Cummins, 2017). Overall wellbeing is comprised of many factors including housing, income, education, health and life satisfaction—these factors are strongly correlated with financial wellbeing. Associated with wellbeing is happiness and studies that determine what makes us happy have deemed the ‘golden triangle of happiness’ to be comprised of strong personal relationships, financial control and a senses of purpose (Australian Unity, 2017; Cummins *et al.*, 2007).

There are strong links between increasing savings and resilience, financial wellbeing and overall wellbeing. This section shows how initiatives such as matched savings programs can promote the financial wellbeing of individuals and contribute to their overall wellbeing.

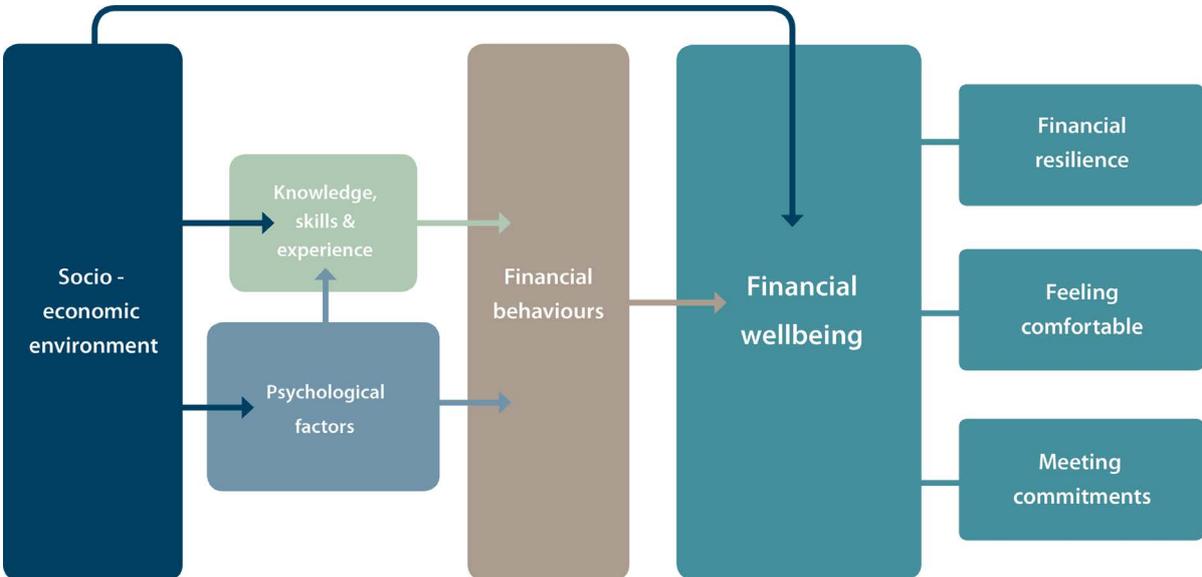
3.2 FINANCIAL WELLBEING

Financial wellbeing, a concept that encapsulates financial literacy and financial capabilities, can be defined as ‘the extent to which someone is able to meet all their current commitments and needs comfortably, and has the financial resilience to maintain this in the future’ (Kempson *et al.*, 2017, p. 19). The US Consumer Financial Protection Bureau (2015) and the Centre for Social Impact & Social Policy Research Centre at the University of New South Wales (2017) have developed similar definitions of financial wellbeing centred on people’s ability to comfortably meet present and future financial needs. There are a range of determinants of financial wellbeing. These include: socio-economic environment, financial knowledge skills and experience, attitudes and psychological factors, and behaviours (financial capabilities).

Kempson *et al.* (2017) found that the key drivers of financial wellbeing were socio-economic factors and behaviours (financial capabilities) (see Figure 2). The behaviours that were found to be the most influential in financial wellbeing were active saving, spending restraint and not borrowing to meet every day expenses. The importance of these behaviours was confirmed in ANZ’s recent Financial Wellbeing Survey conducted in Australia (ANZ, 2018). Driving these behaviours were key psychological factors such as reduced impulsivity, internal locus of control, future time orientation and self-control. Of lesser importance were knowledge, skills and experience.

FIGURE 2. DRIVERS OF FINANCIAL WELLBEING

Based on Kempson *et al.* 2017



The World Bank produced a list of discrete behaviours that contribute to an individual's financial capability. These behaviours include; saving, budgeting/planning and spending, monitoring finances, not overspending, living within one's means, making sure that unexpected expenses could be covered, saving, making informed financial decisions and choosing appropriate financial products (Kempson, Perotti, & Scott, 2013). Financial education that focuses on behaviour and attitudes therefore can play a critical role in improving financial capability which in turn contributes to financial wellbeing and overall wellbeing.

3.3 THE ROLE OF SAVINGS IN FINANCIAL WELLBEING

Active saving is one of the most important behaviours that contributes to financial wellbeing (Kempson *et al.*, 2017). Savings have benefits for the individual, household and broader economy. Savings creates financial resilience which is a major component of financial wellbeing and contributes to financially healthy communities and economies (Babiarz & Robb, 2014; Mckernan, Ratcliffe, Braga, & Kalish, 2016).

Savings provides a cushion or buffer against economic shocks. Knowing there are resources available to cope with unexpected expenses or a loss of income has a positive effect on an individual's mindset. Even having relatively small amounts of savings can have a positive effect on financial resilience. A US study found that low-income households with savings of \$2,000–\$4,999 had greater financial resilience than families who are better off but didn't have savings (Mckernan *et al.*, 2016). The same study also found that savings as low as \$250–\$749 can decrease the likelihood of missing a housing or a utility payment due to a loss of income (Mckernan *et al.*, 2016). The recent ANZ (2018) Financial Wellbeing Survey in Australia found that having \$1,000 in savings made a difference to levels of financial wellbeing.

While there has long been policy and academic attention given to the importance of retirement savings, more recently there has been a greater focus on the role of precautionary or emergency savings in preventing financial hardship (Gjertson, 2016). The Global Financial Crisis heightened the importance of emergency funds as the most severely affected were households without emergency savings.

Savings are an asset and increasing assets has the potential to move people out of poverty. "Because assets beget assets, escaping from poverty requires asset accumulation" (Schreiner *et al.*, 2005).

3.4 MATCHED SAVINGS PROGRAMS

The number of matched savings programs globally has grown considerably since their inception in the 1990s. Matched savings programs are a practical embodiment of asset-based theory which proposes that for people to move out of poverty they need assets as well as income (Sherraden, 1991). Matched savings programs encourage participants to set a savings goal, develop a regular saving habit and build financial capabilities. The term 'asset' can refer to homes, enterprises, education, or savings (Adams & West, 2015). Assets also refer to human capital which is important for individuals to develop for increased financial wellbeing (Schreiner *et al.*, 2005). The extensive research on matched savings programs since the 1990s has found that important outcomes include increasing participants' human capital or personal assets such as self-confidence, future outlook, capabilities, and overall wellbeing. Assets are important as they provide a cushion or sense of security in times of financial hardship. They also bolster individual wellbeing through achievement, ownership and strengthened personal capacity (Schreiner *et al.*, 2005).

Matched savings programs, or Individual Development Accounts (IDAs) as they are known in the US, were conceptualised by Michael Sherraden in the 1990s (Sherraden, 1991). Sherraden's work and influence in shaping government policy has put the US at the forefront of the development of asset-based initiatives since the implementation of the Assets for Independence (AFI) Act in 1999. Since then, the AFI federal grant program⁵ has provided approximately US\$214 million to more than 880 program sites reaching more than 85,000 Americans (Mills *et al.*, 2016).

Canada also has a long history of incorporating matched savings programs into their social policies nationally and regionally. Matched savings programs have been widely adopted in other countries throughout Africa and Asia, along with UK, New Zealand and Israel. As a complementary social policy, they are used to encourage positive financial behaviours for varying cohorts and contexts.

There are also a growing number of child savings accounts or Child Development Accounts (CDA) in the US and Canada. These accounts are established for a child, and mature when the child turns 18. They are most commonly used to save for education expenses post-high school. In the UK, Child Trust Fund accounts were established by the UK government in 2002 and could be used for any purpose when the account matured. These have since been abolished and replaced with the Junior Individual Savings Account (ISA), a long term, tax-free savings account⁶ without government matched funds. Korea (Nam & Han, 2010; Nam, Hole, Sherraden, & Clancy, 2017) and Singapore (Loke & Sherraden, 2009) have long-running CDAs to promote savings and build assets towards a child's education and/or health expenses.

5. www.acf.hhs.gov/ocs/programs/afi/about

6. www.gov.uk/junior-individual-savings-accounts

3.5 EVIDENCE OF PROGRAM SUCCESS

The many variations of matched savings programs make it difficult to provide a definitive declaration of their long-term success. Different goals and purposes, ratio of matched funds, program length, targeted cohorts and market externalities will affect participant outcomes. From the earliest introduction of matched savings programs in the US and Canada, evaluations have largely demonstrated that lower-income participants can and do save, given the appropriate frameworks and opportunities (Schreiner & Sherraden, 2007).

Successful outcomes of matched savings programs depend on the appropriate purpose and program design in the context of the participants' lives and relevant environmental and economic factors. It is important for all program stakeholders to set realistic expectations of program outcomes in light of these factors.

In the US, the programs that appear to be more successful are those where participants have saved for home ownership, education and small business start-ups (Leckie, Hui, Tattrie, Robson, & Voyer, 2010; Mills *et al.*, 2016).

The first randomised control trial of the US government Assets for Independence (AFI) matched savings program (2014) showed a range of positive impacts for participants including: increased level of liquid savings, reduction in financial hardship and less reliance on alternative financial services. Participants also reported increased levels of confidence in meeting regular expenses (Mills *et al.*, 2016).

The Saver Plus partners (Australia) determined at the outset that the most appropriate savings goal (asset) for the program would be education for participants' children or themselves. This has proven a worthwhile goal, with evaluations demonstrating outcomes that extend beyond education benefits for individuals, families and the economy (Russell, Stewart, & Cull, 2015).

In the US, successful outcomes have been achieved when matched savings programs were combined with 'teachable moments' and offered through community services that assisted with life events or needs such as employment, housing or health. This strategy is showing promise in its effectiveness. Teachable moments provide valuable opportunities to build individuals financial capabilities (Kaiser & Menkhoff, 2017), so providing assistance to save at these times makes sense (for more information see Section 3.6, 'Teachable moments'). They also present the opportunity to bring finances into conversations at times when individuals are dealing with other issues that may be often compounded by financial problems.

3.6 INNOVATION IN MATCHED SAVINGS PROGRAMS

Program components

The basic components of matched savings programs have remained relatively unchanged since their inception. They are generally comprised of a savings goal (asset), incentive (the matched funds), support (coaching/ counselling) and financial education. To suit various contexts, there have been many variations to the matched funds ratios, program length, target markets, type of support offered and assets saved for. The major focus for innovation in the US has been to make the programs more effective, efficient, sustainable and scalable. Innovations have been mostly driven by advances in technology and have incorporated the principles of behavioural economics to better meet the needs of participants.

Lessons from behavioural economics:

1. Understand the context or situation of the targeted cohorts for matched savings programs, as this is the most important principle in designing effective programs. Context (or situation) is the most significant predictor of human behaviour – more so than personality, past behaviour, knowledge or motivation (Mullainathan & Shafir, 2009; Ross & Nisbett, 2011)
2. Reduce the barriers to enrolling, opening a savings account, receiving the matched funds and for engaging with mainstream financial services—during and after program completion
3. Make it easy for participants to undertake the financial education component by offering a variety of options for participation—such as online as well as face-to-face
4. Employ default choices whenever possible to reduce barriers to participation and facilitate success. For example setting up automatic saving deposits at the outset (Thaler & Sunstein, 2008)
5. Facilitated saving actions through text message reminders or 'nudges' (Chan, Cohen, Derbigny, & Markoff, 2015) or give participants the option of depositing savings into an account via text message (Dorrance, Donnelly, & Gorham, 2015).

The design of Australia's Saver Plus program has been continually modified over the last 15 years to incorporate many of these principles of behavioural economics. The program is managed by local community organisations whose staff have a thorough understanding of the context and environmental factors such as employment conditions, cost of living and other issues that impact the lives of local participants. Saver Plus now also has provision for the financial education component to be undertaken via an online medium (as well as face-to-face) to better meet the needs of participants. Enrolment and disbursement of matched funds processes have also been streamlined over time to reduce the barriers to participation.

Scalability

Many efforts in the US and Canada have been devoted to making programs scalable, a challenge that is also front of mind for the Saver Plus partners in Australia. Matched savings programs are inherently costly to run as they are generally high-touch and require significant resources to implement and maintain, making scalability difficult (Savage, 2017). The aim of scalability is to retain the quality of outcomes while reducing costs to administer the program and extending its reach. It also follows that there is a risk of diminished quality of the program and outcomes for participants if action is focused too much on increasing scale to reduce costs (e.g. through online elements) without sufficient consideration of each important program element (e.g. personal support from a local community worker).

The nature of the funding in the US under the AFI legislation has led to the proliferation of small programs run by small community organisations. This has led to significant administration costs, based on the number of participants per program, making it more difficult for the programs to be sustainable in the long-term.

In reviewing the issues faced by the US matched savings programs field, there is much to be said for the Saver Plus model where investment is targeted towards the optimal cost/benefit ratio of one program, administered by a central office, rather than many smaller programs.

Teachable moments

'Teachable moments' are events (which can be planned or unplanned) that present opportunities for learning. In recent years, a popular innovation showing positive results is the integration of matched savings programs into frontline services such as those supporting housing and employment. Integrated matched savings programs, when combined with life events or other needs, can harness the potential of 'teachable moments'. The *MyPath Savings Initiative* in San Francisco (US) has integrated a savings program into an existing youth development and employment program. Young people receiving their first pay are required to direct a portion of their pay into a savings account. Results of the evaluation showed an increase in participants' financial knowledge, financial self-efficacy and positive financial behaviour (Loke, Choi, & Libby, 2015).

Chelsea Connect, a Financial Opportunity Centre in Massachusetts (US) employed a multi-service cross-sector collaboration and found that the incorporation of matched savings facility with employment, education and housing services has positively affected financial wellbeing of clients (Boguslaw, Cronin, & Guanani, 2015).

In the US, matched savings programs have also been linked with tax return filing time. Potential participants are introduced to the program when seeking help with their tax returns through the Volunteer Income Tax Assistance (VITA) program and are encouraged to divert a portion of their tax return to a savings account that will be matched after a year if the initial deposit is untouched (Azurdia & Freedman, 2016; Key, Tucker, Grinstein-Weiss, & Comer, 2015).

Fintech solutions

Ongoing advances in financial technology (fintech) are being harnessed within the matched savings fields, with the development of mobile applications and online platforms to improve efficiencies in delivering matched savings programs and improving the experience of participants.

The Boston Federal Reserve has introduced an 'app' into their matched savings programs (Boston Federal Reserve, 2016). The app provides individuals with secure and real time updates and information about their saving progress, and customised updates and reminders based on their behaviours. The app is individualised and provides targeted assistance to individuals to stay on track and keep on top of their savings. The Boston Federal Reserve posits that the advent of technology in matched savings programs will improve how customers perceive savings and banks more generally and will deliver a more intuitive banking experience to customers based on user's preferences.

4. RESEARCH APPROACH

Theory of change: through financial education, support and incentive, Saver Plus develops participants' financial self-efficacy, financial capabilities and saving behaviour. These all contribute to an increase in financial wellbeing.

An online survey, qualitative interviews, analysis of enrolment data and Saver Plus banking data were each used to address the research aims.

4.1 ENROLMENT DATA

Enrolment data for 12,085 Saver Plus participants who had enrolled between 2009 and 2016 and agreed to participate in Saver Plus research was provided by the Saver Plus National Office. The enrolment data included the following variables: gender, age, location, whether a participant was saving for themselves or their child(ren), financial education training format, government income support type and amount, employment income, other income, family structure, number of children, language spoken at home, Aboriginal or Torres Strait Island heritage and whether a participant was enrolled in an apprenticeship.⁷

4.2 ONLINE SURVEY

The online survey measured changes in savings behaviours, financial wellbeing, income, financial self-efficacy and employment. 9,936⁸ Saver Plus participants were emailed an invitation to complete the survey. The analysis and results in this report are based upon 1,373 responses.⁹

In this evaluation we incorporated recent developments in the understanding and measurement of financial wellbeing and drew heavily on the latest financial wellbeing scoring system developed by Kempson *et al.* (2017). This scoring approach was also applied by ANZ in its Financial Wellbeing Survey, conducted in Australia (ANZ, 2018). For the first time, the change in participants' overall financial wellbeing score after completing Saver Plus was measured.

The survey used a retrospective pre-test method to assess changes in participants' saving behaviour and financial wellbeing after completing Saver Plus. This method asked participants to think about what their financial skills, behaviours, and financial situations were like before they enrolled in Saver Plus, and after Saver Plus – i.e. at the time of completing the survey.

4.3 QUALITATIVE INTERVIEWS

In depth interviews were conducted with 23 Saver Plus participants – both those who completed and those who did not complete the program.

Interviewees were randomly selected from the Saver Plus database. However, efforts were made to include interviewees from: enrolment years between 2009 and 2016; rural/regional and metropolitan areas; sole parents; and young people. Participants interviewed represented a range of life stages from school-leavers to semi-retired.

TABLE 1. QUALITATIVE INTERVIEWEE PROFILES

Characteristic	
Gender	<ul style="list-style-type: none">• 21 women• 2 men
Marital status	<ul style="list-style-type: none">• 21 separated/divorced• 2 single
Children	<ul style="list-style-type: none">• 21 with dependent children• 2 with no dependent children
Employment	<ul style="list-style-type: none">• 4 full-time• 18 part-time• 1 unemployed
Studying	<ul style="list-style-type: none">• 3 full-time• 10 part-time• 10 not studying
Home owner/ renting	<ul style="list-style-type: none">• 3 resided in own home• 20 renting
Location	<ul style="list-style-type: none">• 8 in metropolitan areas• 15 in regional/rural areas

4.4 SAVER PLUS BANKING DATA

Participants' ANZ banking data was combined with their enrolment data (obtained from the Saver Plus National Office), to create a dataset of information for 11,876 participants. We refer to this as the Saver Plus banking data. This data was used to determine the factors that influence program completion or non-completion.

7. There were other variables reported, but they were not recorded for a sufficient number of participants to warrant analysis. A small amount of data cleaning was also required.

8. Only participants who had a valid email address were sent a link to the survey.

9. Incomplete responses were deleted.

5. CHARACTERISTICS OF SURVEY RESPONDENTS

TABLE 2. SURVEY RESPONDENT CHARACTERISTICS (N = 1,373)

Characteristic	
Gender	<ul style="list-style-type: none"> • 91% were female • 9% were male
Age	<ul style="list-style-type: none"> • 12% were 18 to 29 years • 21% were 30 to 39 years • 42% were 40 to 49 years • 25% were 50 to 74 years
Family type	<ul style="list-style-type: none"> • 50% were sole parent families (with dependent children) • 30% were two parent families (with dependent children) • 12% were single people • 4% were part of a couple with no dependent children • 4% lived in other types of households
Housing type	<ul style="list-style-type: none"> • 43% rented their home • 34% were paying off their home • 11% owned their home outright • 5% had other housing arrangements • 4% paid board at home or in another household • 3% were renting a room in a share house
Education	<ul style="list-style-type: none"> • 43% had a university degree, diploma or postgraduate qualification • 31% had a trade or technical college qualification • 11% completed up to secondary school • 11% had some secondary schooling • 4% had on the job training or other forms of education
Employment	<ul style="list-style-type: none"> • 20% worked full-time • 24% worked part-time • 13% looked after the home and/or cared for family • 10% engaged in casual work • 10% were self-employed • 9% were full-time or part-time students • 7% were unable to work because of ill-health or disability • 4% were unemployed or looking for work • 2% nominated other types of work (e.g. volunteering) • 1% were retired
Main source of income	<ul style="list-style-type: none"> • 64% cited wages or salary • 30% cited income support payments • 4% cited other (e.g. partner's income, superannuation, child support) • 2% cited self-employment

6. PROFILES OF SAVER PLUS PARTICIPANTS WHO COMPLETED THE PROGRAM

Using the Saver Plus banking data, we found that overall 9,877 (83.2%) of the sample of 11,876 participants successfully completed Saver Plus and reached their matched savings goal, while 1,999 (16.8%) did not complete.

88% of respondents were women and 12% were men, although gender was not a significant determinant of completion.

6.1 SIGNIFICANT DETERMINANTS OF COMPLETION

Using the Saver Plus banking data, this section explores the determinants that were statistically significant in predicting the likelihood of participant completion.

Family structure: 32.7% of participants were part of a couple with dependent children; 1.9% were part of a couple without dependent children; 52.6% were single with dependent children; and 12.8% were single without dependent children.

Participants who were part of a couple with dependent children were more likely to complete (85.5%) than other family structures, while participants who were single with dependent children were least likely to complete (81.8%).

Age: The average age of all participants was 37.6 years but the average age of those who completed Saver Plus was 38.1 years. The average age of those who did not complete was 35.2 years. Younger people were less likely to complete the program than older people.

Number of children: Participants who completed Saver Plus were more likely to have fewer dependent children (1.66) than those who did not complete (1.73).

Main language spoken: Participants whose language was other than English were more likely to complete the program than those whose main language spoken was English. 10.8% of Saver Plus participants' main language was other than English and from this group, 90.5% completed the program – well above the overall average.

Apprentices: Although participants undertaking an apprenticeship only represented around 1% of participants they were much less likely to complete Saver Plus (76.4%). This is likely to be related to their age as the completion rates of younger participants were lower than the average.

Income support: Participants who received less government income support (average \$670.75 per fortnight) were more likely to complete Saver Plus than those who received higher amounts of income support (average \$768.41 per fortnight).

Wages: Participants who earned more income from wages (average \$727.27 per fortnight) were more likely to complete Saver Plus than those who received less income from wages (average \$603.50 per fortnight).

Other income: Participants who received higher amounts of 'other' income (average \$117.57 per fortnight) were more likely to complete than those who received lower amounts (average \$94.50 per fortnight).

Total income (income support + wages + other income): The average amount of fortnightly total income received by participants who completed Saver Plus was significantly higher (average \$1,514.93 per fortnight) than those who did not complete (average \$1,465.39 per fortnight).

Income support share of total income: Participants whose total income was comprised of a lower share (average of 48%) of income support compared to other income were more likely to complete than those whose total income included a higher share of income support (average of 57% of total income). Participants who did not complete were more likely to withdraw from the program four months after enrolment.

7. CHANGES IN SAVING BEHAVIOUR

Saver Plus continues to meet its primary goal to help participants create and maintain a saving habit, build financial resilience and improve financial capabilities.

We evidenced active saving by examining whether participants reached their savings goal, whether they maintained a regular saving habit, how much in savings they accumulated and whether their pool of savings and assets increased since completing Saver Plus. We explored the participants' saving behaviour using the survey data.

7.1 CHANGE IN AMOUNTS OF SAVINGS DEPOSITS

We asked participants to indicate whether the amounts they saved had stayed the same, increased or decreased since completing the program. Figure 3 shows the period of time that had elapsed since completion did not have much effect on the saving behaviour of participants. The majority of participants were able to save the same amount or more since completing the program.

- 87% of survey respondents who completed Saver Plus **1 to 2 years** prior to completing the survey were saving the same amount or more as they did while in the program
- 85% of survey respondents who completed Saver Plus **1 to 3 years** prior to completing the survey are saving the same amount or more as they did while in the program
- 87% of survey respondents who completed Saver Plus **3 to 7 years** prior to completing the survey are saving the same amount or more as they did while in the program
- 86% of *all* survey respondents (including those who did not complete Saver Plus) across all enrolment years (2009 – 2016) were still saving the same amount or more **1 to 7 years** since completing Saver Plus.

FIGURE 3. PROPORTION OF SURVEY RESPONDENTS WHO SAVED THE SAME AMOUNT OR MORE SINCE COMPLETING SAVER PLUS



7.2 CHANGES IN TOTAL SAVINGS AND ASSETS

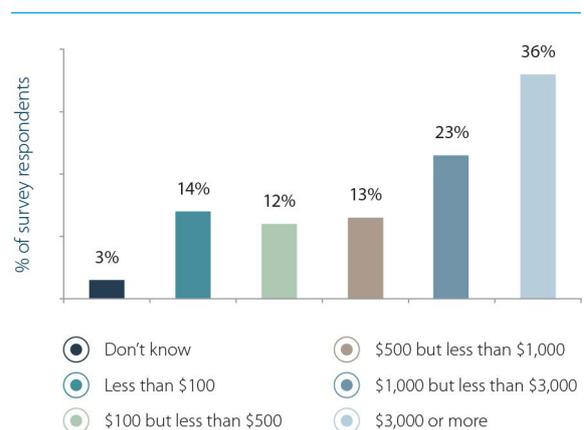
Since completing Saver Plus, 72% of survey respondents reported that the total value of their savings and assets had increased. 17% of participants experienced no change, 8% reported a decrease in savings and assets, and 3% did not know.

The Saver Plus banking data shows an increase in both the total collective balance and the median balance in savings accounts.

Total savings held since Saver Plus

Since completing Saver Plus, 36% of survey respondents reported they had accumulated \$3,000 or more in a specific savings account (Figure 4). Having \$3,000 in savings provides a valuable buffer to help cope with financial shocks and large expenses that can be detrimental to achieving financial goals. Indeed, the recent ANZ (2018) research on the financial wellbeing of Australians found that even \$1,000 in savings can lead to higher levels of financial wellbeing. Having rainy day savings increases a person's financial resilience and is an important component to financial wellbeing.

FIGURE 4. TOTAL AMOUNT HELD IN A SPECIFIC SAVINGS ACCOUNT



8. BUILDING FINANCIAL CAPABILITIES

Saver Plus led to positive outcomes on a range of financial capability indicators which contribute to financial wellbeing.

86% of survey respondents said they now shopped around more when buying products or services and 80% reported that Saver Plus helped them gain more control over their finances (see Figure 5). Survey respondents reported they were better informed, with 82% being more aware of where to get help with financial decision-making and 80% having a better understanding of the range of financial products available.

78% of survey respondents were better able to make ends meet and 73% felt they were better able to provide for their family after completing Saver Plus.

Additional financial capability and behaviour measures are discussed in Section 10.

8.1 BUDGETING, PLANNING, SAVING AND SPENDING

Being able to plan spending, saving and budgeting is likely to contribute to a person's sense that they have their finances under control, a component of financial wellbeing.

Prior to enrolling in Saver Plus, 16% of survey respondents reported *always* using a budget, and after Saver Plus, 35% reported *always* using a budget. Similarly prior to Saver Plus, 18% said they *never* used a budget (after Saver Plus this was 4%).

Survey respondents who rated their financial wellbeing as *high* or *very high* were more likely to *always* use a budget (42%) compared to those who rated their wellbeing as *low* or *very low* (31%).

Long-term planning behaviour increased by 29%. Before enrolling in Saver Plus, the majority of survey respondents (63%) planned their savings and spending *over the next week or fortnight* and 16% planned for the *next year or more*. After Saver Plus only 23% reported only planning for the *next week or fortnight*, and 45% planned their spending and saving *over the next year or more*.

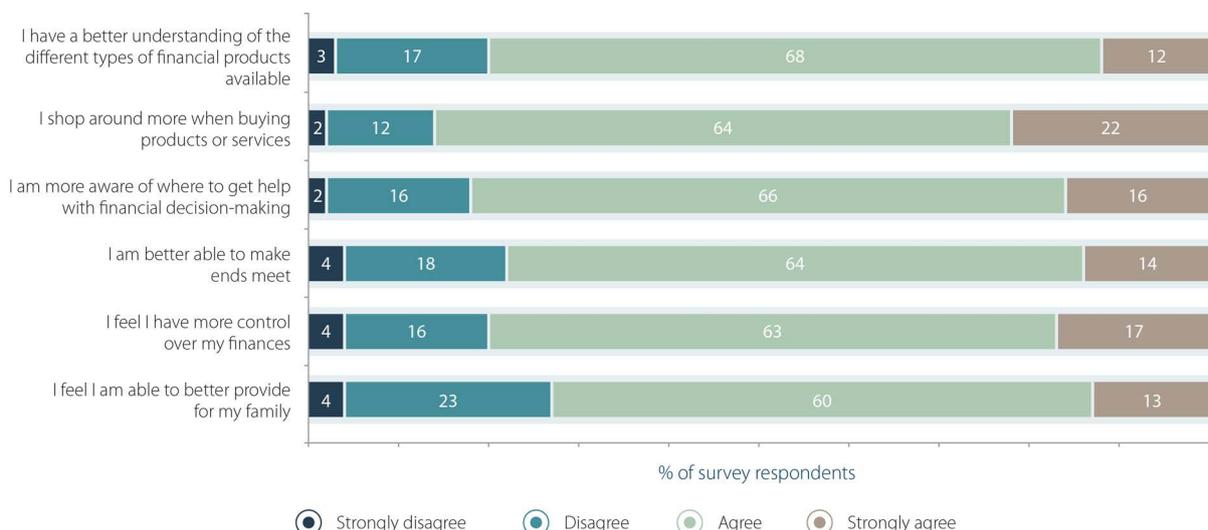
We found that survey respondents' ability to plan their spending and saving over a longer period of time was associated with higher levels of financial wellbeing. Those who rated their financial wellbeing as *low* or *very low* were more likely to be only planning their savings and spending for the *next week or fortnight* (36%) compared to those who rated their financial wellbeing as *high* or *very high* (16%). 60% of survey respondents with *high* or *very high* financial wellbeing planned ahead for *a year or more*, whereas only 32% with *low* or *very low* financial wellbeing planned over *the next year or more*.

8.2 MEETING REGULAR EXPENSES

Not needing to borrow for everyday expenses (or not being overdrawn on one's bank account) indicates that more than likely, income is sufficient to cover expenses and the income is managed effectively. Kempson *et al.* (2017) and the recent ANZ (2018) Financial Wellbeing Survey found that not having to use credit for food and other regular expenses was a behaviour that contributed to increased financial wellbeing.

Prior to enrolling in Saver Plus, 10% of survey respondents stated that they were overdrawn on their bank account *every month*. After completing Saver Plus, only 3% reported overdrawing on their bank account every month. Prior to Saver Plus, 41% stated they were *never* overdrawn and after Saver Plus that figure increased to 62%.

FIGURE 5. FINANCIAL CAPABILITY OUTCOMES



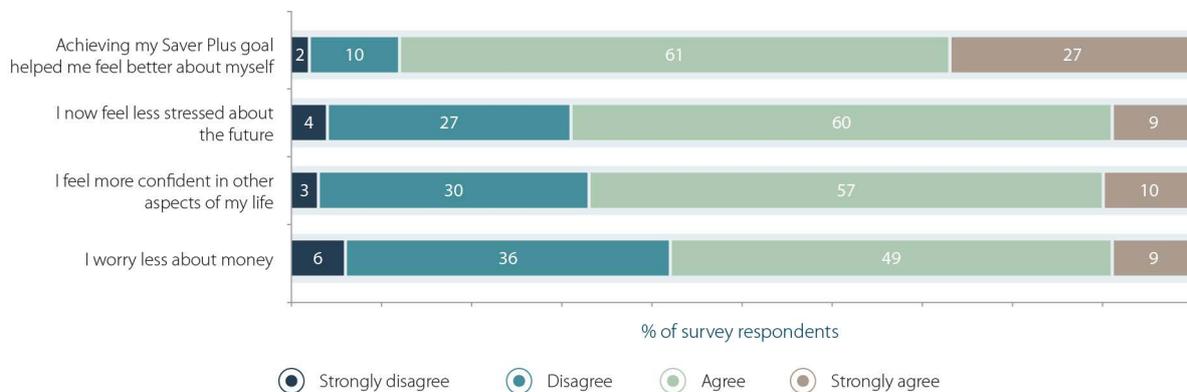
9. PERSONAL WELLBEING OUTCOMES

We asked survey respondents to rate the effect Saver Plus had on their self-confidence, stress about the future and levels of worry about money.

Participants were asked to indicate the extent to which they agreed or disagreed with statements that related to a range of personal wellbeing outcomes (Figure 6). 88% of survey respondents agreed or strongly agreed that achieving their Saver Plus goal helped them to feel better about themselves. Indeed, 27% *strongly agreed* with this statement. 67% also felt more confident in other aspects of their lives.

69% of survey respondents felt less stressed about the future and 58% worried less about money since completing Saver Plus.

FIGURE 6. PERSONAL WELLBEING OUTCOMES



“I needed to refresh, update and revisit some obvious weaknesses brought on by being diagnosed with multiple sclerosis. I am lucky. I can demonstrate that, yes, bad things can happen to good people but you can raise yourself above it. The Saver Plus program is another step on that path.”



Shani, a Tasmanian Saver Plus participant supported by The Smith Family. (Click [here](#) to view her story).

9.1 IMPACT OF EDUCATION PURCHASE

The Saver Plus banking data showed that the majority of participants saved for an education product or service for their children (66.3%). 1 in 5 participants saved for their own education needs (20.6%) and some participants saved for both themselves and their children (13.1%).

83% of survey respondents reported that the product they purchased using their matched savings had a positive effect on their own or their children's education experience. The matched funds made a difference to the education experiences.

"Assisted my children in attending a school trip away, and new clothing and shoes."

"Both my children got an iPad each which helps complete their reading and mathematics on it, as well as a small desk each to complete their homework on each night."

"I was able to buy much needed items for university."

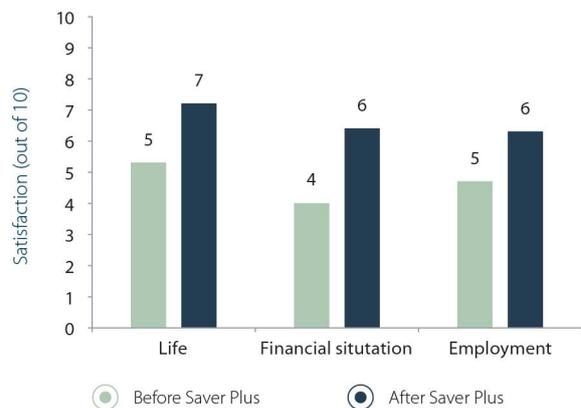
"It meant my child was not disadvantaged and had access to the same kind of technology for the classroom as her peers."

9.2 SATISFACTION SCALES

Feeling satisfied with life is an important part of overall wellbeing. Employment and financial situations contribute to levels of life satisfaction (Capic *et al.*, 2017).

Survey respondents were asked to rate how satisfied they felt with their life as a whole, along with their financial and employment situations, on a scale from 0 'not satisfied at all' to 10 'completely satisfied'. The average scores are shown in Figure 7. On all three measures, survey respondents reported an increase in satisfaction when they compared their situation now, with their situation before they enrolled in Saver Plus.

FIGURE 7. AVERAGE LIFE, FINANCIAL AND EMPLOYMENT SATISFACTION SCORES



10. SAVER PLUS AND FINANCIAL WELLBEING

In the survey we examined how Saver Plus has contributed to the financial wellbeing of participants.

Financial wellbeing involves being able to meet financial commitments; to feel financially comfortable; have the resources to enjoy life; and have resilience for the future (Consumer Financial Protection Bureau, 2015; Kempson *et al.*, 2017; Muir *et al.*, 2017).

We used two methods to assess participants' financial wellbeing: 1) the Kempson *et al.*, (2017) scale of 11 items; and 2) participants' self-rating of their level of financial wellbeing. This gave us a unique opportunity to 'test' the self-rating measure against the mostly objective measures provided in the Kempson scale.

We gave survey respondents the additional opportunity to provide a qualitative response to the question 'What does financial wellbeing mean to you?' We also asked this question of the interviewees and found the responses closely reflected the academic definitions of financial wellbeing. The analysis of the qualitative data showed three main themes that interviewees associated with financial wellbeing were: to have 'no hassles and be stress-free'; 'having enough to pay your bills and live'; and 'ability to be in control of your own finances'. The survey responses confirm that Saver Plus helped participants achieve these goals.

10.1 THE FINANCIAL WELLBEING SCALE

The Kempson *et al.* (2017) scale uses 11 items to measure the three components that contribute to financial wellbeing: meeting commitments, feeling financially comfortable, and resilience for the future (see Table 3). These components are influenced by a range of financial capabilities, behaviours and financial attitudes.

The financial wellbeing scores were scaled so that the total and the component scores ranged from 0 to 100. This allows the score to be understood as a percentage of the highest possible financial wellbeing level that could be reached. If someone chose the top answer from each item they would score 100%. This makes it easier to compare scores between groups and across components.

In this section, we used the scores on each of the Kempson *et al.* (2017) financial wellbeing indicators to calculate the overall financial wellbeing score and each of the three component scores for each survey respondent. We also present the responses to each of the 11 questions and the change in these component scores from the time before the respondents did Saver Plus to post-Saver Plus (that is, at the time of the survey). These comparisons are for all survey respondents (N = 1,373). In the following section we present the analysis of differences in the overall financial wellbeing scores for different survey respondent sub-groups (e.g. gender, family type, age).

TABLE 3. FINANCIAL WELLBEING SCALE ITEMS

Component and item descriptor	Question
Meeting commitments	
No money for food and expenses	1. How often do you run short of money for food or other regular expenses?
Ability to pay bills	2. How well are you meeting your bills and credit commitments?
Payment problems due to lack of money	3. How often have you been unable to pay bills or loan commitments at the final reminder due to lack of money?
Feeling financially comfortable	
Money left over	4. How often do you have money left over, after you have paid for food and other regular expenses?
Rating of current financial situation	5. How would you describe your financial situation?
Confidence about the next 12 months	6. How confident are you about your financial situation in the next 12 months?
Able to enjoy life	7. My (household or personal) finances allow me to do the things I want and enjoy life.
Resilience for the future	
Could use savings for an unexpected expense	8. If you had to meet an unexpected expense that is equivalent to a month's income for your household, how much of it would you be able to cover from money you have available either in cash or in your bank account?
Need to borrow for unexpected expense	9. Would you need to borrow, overdraw your account or use a credit card to meet an unexpected expense of a month's income?
Income fell by a third	10. If your income fell by a third, for how many months could you meet all your expenses without needing to borrow?
Months of savings	11. Thinking about the total income of your household or your personal income, approximately how many months income do you have in savings?
Overall financial wellbeing	Average score of 11 items

Overall financial wellbeing

Financial wellbeing scores improved significantly from pre-Saver Plus to post-Saver Plus (36 versus 64 out of 100). In the recent ANZ Financial Wellbeing Survey (2018), the average financial wellbeing score for Australians was 59. Prior to enrolling in Saver Plus, the financial wellbeing score of respondents was notably lower than the national average. Their financial wellbeing score was slightly higher than the Australian average at the time they completed the survey, as shown in Table 4.

TABLE 4. FINANCIAL WELLBEING SCORES - SUMMARY OF SAVER PLUS PARTICIPANTS COMPARED TO NATIONAL AVERAGE

Component	Before Saver Plus	After Saver Plus	ANZ ¹⁰ Australian survey
Meeting commitments	50	75	70
Feeling comfortable	36	58	55
Resilience for the future	27	36	53
Overall financial wellbeing score	36	64	59

Survey respondents were asked to rate how they viewed their levels of financial wellbeing at the time of completing the survey (i.e. post-Saver Plus). Nearly half (48.7%) rated their financial wellbeing as average and 21.1% rated it as high and 4% as very high. 19.1% of respondents felt their financial wellbeing was low and 7.1% rated it as very low.

10. Data from ANZ (2018) Financial Wellbeing: A survey of adults in Australia.

Self-rating and overall financial wellbeing score

The survey respondents' own rating of their financial wellbeing (very high, high, average, low, and very low) was significantly correlated ($\rho = 0.63$) to their post-Saver Plus overall financial wellbeing score based on the Kempson *et al.* (2017) scale. When we reviewed the average overall financial wellbeing score for each self-rating group we found that there was a significant difference between each of these average scores, except for the average scores of participants who rated themselves as having 'high' or 'very high' financial wellbeing (these scores were similarly high). These results support the validity of the overall financial wellbeing score. The score indeed reflects the survey respondents' own assessment of their financial wellbeing.

Meeting commitments

Survey respondents significantly improved on the scale component of meeting commitments. Prior to Saver Plus, the average score was 50, well below the national average for Australia which was 70. After Saver Plus, the score for meeting commitments rose to 75—a level commensurate with the Australian sample (ANZ, 2018).

For each individual item, there were also significant improvements in the ability of survey respondents to meet their financial commitments after completing Saver Plus.

Ability to pay for food and regular expenses

The results show that after completing Saver Plus survey respondents were much more unlikely to run short of money for food and other regular expenses. Prior to Saver Plus, 21% of respondents would *very often* run short of money for food and other regular expenses, and after Saver Plus this would happen *very often* to only 4% of participants. Similarly before Saver Plus 13% reported that they *never* ran out of money for regular expenses, and after Saver Plus 36% reported *never* running out of money for food and bills.

Meeting bills and credit commitments

After completing Saver Plus, survey respondents were more likely to be able to meet their bills and credit commitments *without any difficulty*. Prior to Saver Plus 16% were meeting their bills and credit commitments *without any difficulty*, and this proportion increased to 49% after Saver Plus. Before doing the program 40% of participants found paying bills to be a *constant struggle*, this reduced to 8% after the program.

Unable to pay bills or loan commitments

After completing Saver Plus, survey respondents were less likely to be unable to pay their bills, even at the final reminder notice. Prior to Saver Plus, 11% were *very often* unable to pay their bills, even at the final reminder notice whereas after Saver Plus, only 3% were unable to pay their bills. The proportion of respondents who *never* had a problem paying their bills increased after the program, from 31% to 55%.

Feeling financially comfortable

Having money left over, feeling comfortable and not being stressed about money were important outcomes for Saver Plus participants. On all items comprising this component of financial wellbeing, survey respondents experienced positive changes to how they felt about their financial situation and their level of comfort and anxiety about money after participating in Saver Plus. Respondents did not feel as though they were financially comfortable prior to enrolling in Saver Plus (average 36 out of 100). However, on average they reported a significant improvement in feeling financially comfortable after Saver Plus (average score of 58) - a similar level to the Australian average of 55 (ANZ, 2018).

Feeling financially comfortable was a common theme with interviewees when they described what financial wellbeing meant to them.

"Financial wellbeing, I guess it's just being comfortable, being able to pay your bills and have food on your table every week. Having a little bit of choice in what you want to buy and also then, being able to have money to save, to have that money for the rainy day. Look I don't think you need millions of dollars."

"Financial wellbeing would be not having to live pay cheque to pay cheque. Not having that heart attack every time you open a bill."

"Financial wellbeing was indeed having money left over after paying for expenses."

"To me it means not worrying at all about the financial expenses versus the income because the income far outweighs the expenses."

Money left over after paying for regular expenses

There were strong improvements in the survey respondents' abilities to be able to meet their regular expenses and have money left over. Prior to Saver Plus, 5% of respondents said they *very often* had money left over after paying for food and other regular expenses, and after Saver Plus this increased to 26% of participants. Likewise, the proportion of respondents who, before doing Saver Plus, never had money left over (24%) decreased after Saver Plus to 5%.

Self-rating of financial situation

Survey respondents were asked to describe their current financial situation on a five point scale from *very bad* completed to *very good*. There was a significant improvement in how they rated their financial situation retrospectively (before they did Saver Plus and after completing the program). Prior to Saver Plus 43% of respondents rated their financial situation as *bad* or *very bad*. After Saver Plus 12% viewed their situation as *bad* or *very bad*. Similarly, prior to Saver Plus 17% of respondents rated their financial situation as *good* or *very good*, and that increased to 60% after the program.

Financial confidence in the next 12 months

Survey respondents were asked to think back to the time before they participated in Saver Plus and rate their level of confidence in their financial situation for the next 12 months. Depending on year of enrolment, the period of time participants had to think back to varied considerably across the sample – with some having to think back to 9 years. Figure 9 shows that notwithstanding memory capabilities prior to Saver Plus, only 3% of respondents said they have felt very confident about their financial situation for the next year prior to Saver Plus. After Saver Plus, 20% of respondents said they were feeling very confident about their financial situation in the next 12 months.

Having enough money to enjoy life

There was a strong increase in the number of survey respondents who reported that after participating in Saver Plus, they had money to allow them to enjoy life. Prior to Saver Plus 21% of respondents agreed or strongly agreed that their finances were sufficient to do the things that enabled them to enjoy life. After Saver Plus, this proportion increased to 63%.

"I believe [financial wellbeing] is about having enough financial resources to comfortably meet day to day expenses, to be able to save and afford occasional treats and holidays. Moreover it's about being able to ensure your children have the opportunity to experience the best in life without being spoilt or denied opportunities."

"It means having enough money in the bank to live comfortably and still enjoy life."

FIGURE 8. HOW WOULD YOU DESCRIBE YOUR FINANCIAL SITUATION?

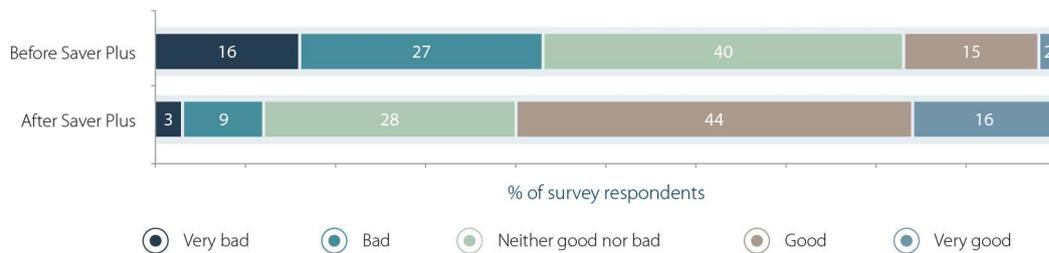
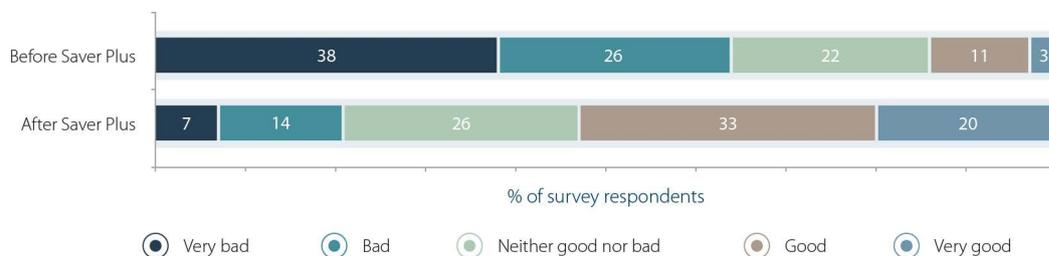


FIGURE 9. HOW CONFIDENT ARE YOU ABOUT YOUR FINANCIAL SITUATION IN THE NEXT 12 MONTHS?



Resilience for the future

An important part of financial wellbeing is having financial resilience—that is, having the capacity to deal with unexpected expenses and having enough savings to cover financial shocks or a drop in income. In reviewing the component score for financial resilience we found that this was one of the hardest goals for respondents to achieve. Participants scored on average 27 out of 100 prior to Saver Plus. After Saver Plus the average financial resilience score was 36. While this was a significant improvement, the scores were lower than those of the other financial wellbeing components of ‘meeting commitments’ and ‘feeling comfortable’. Achieving top marks in this component may be very difficult for Saver Plus participants (or anyone), given that it requires being able to cover expenses for 12 months if one’s income fell by a third, and having more than 12 months’ worth of income in savings.

On individual items, Saver Plus helped participants improve their financial resilience. Having savings and knowing they could cover unexpected expenses were part of that feeling of resilience.

One interviewee described this as:

“It’s security, like knowing that you’ve got more than enough to cover your bills and not being anxious about the future.”

A survey respondent said that financial security was an important part of having financial wellbeing.

“I think it’s feeling secure financially. I now feel very secure and independent financially. I am looking forward to my kids all being in school and old enough so I can get full time employment and be able to branch out more financially and fulfil life-time goals.”

Coping with an unexpected expenses

Prior to completing Saver Plus, 11% of survey respondents said that they could cover an unexpected expense equivalent to a month’s income. After Saver Plus, 46% said they could cover an unexpected expense of a month’s income.

Higher levels of financial resilience were also associated with higher levels of self-rated financial wellbeing. 74% of respondents who rated their financial wellbeing as *high* or *very high* would be able to cover the whole amount of an unexpected expense of one month’s worth of income from savings, whereas 21% of those who rated their financial wellbeing as *low* or *very low* could cover all of the unexpected expense.

Needing to borrow for an unexpected expense

Prior to Saver Plus, 36% of respondents said that they would have to borrow the whole amount of an unexpected expense if it was equivalent to one month’s income. But after Saver Plus, only 10% said that they would need to borrow the whole amount.

77% of respondents who rated their financial wellbeing as *high* or *very high* could cover an unexpected expense of one month’s income without needing to borrow, whereas only 25% of those with *low* or *very low* financial wellbeing would be able to meet that expense.

Covering expenses with reduced income

The ability to manage if one's income is reduced by a third indicates a capacity to manage funds and live within ones means. It also implies there are reserves to draw upon. However, it is clear that income level would influence the number of months one could cover expenses without the need to borrow money.

Being able to cope with unexpected expenses or loss of income without having to borrow money requires a significant savings buffer. Savings equivalent to three months of income is recommended to be able to cope with unemployment or loss of income¹¹. The figure of three months is based upon ABS research which says 53% of Australians who were looking for work spent up to 13 weeks doing so (roughly three months of not working)¹².

Figure 10 shows that prior to Saver Plus, 15% of survey respondents had three months or more worth of income in savings, and after Saver Plus, 40% had savings of three months income or more. The biggest increase was in the number of respondents who had 3 to 6 months of income saved up—from 8% to 21%.

Nearly a third of survey respondents (30%) who rated themselves as having high financial wellbeing were also more likely to be able to cover their expenses for longer in the event of loss of income than those with lower levels of financial wellbeing.

FIGURE 10. NUMBER OF MONTHS' INCOME IN SAVINGS



11. www.moneysmart.gov.au/managing-your-money

12. www.abs.gov.au/ausstats

10.2 FINANCIAL WELLBEING AND SAVINGS BEHAVIOUR

Saving deposit amounts

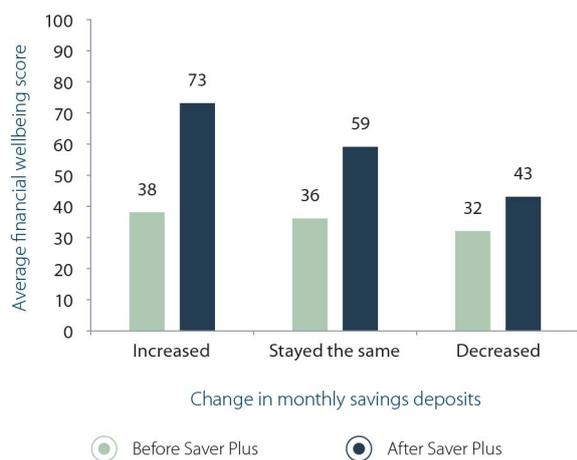
Most importantly, we explored the relationship between financial wellbeing and saving behaviour.

Figure 11 shows that while most survey respondents started Saver Plus with the same level of financial wellbeing (average score of 36) those who reported that their saving deposit amounts had increased since doing Saver Plus also experienced the most improvement in financial wellbeing. Their financial wellbeing scores following Saver Plus were on average 73 out of 100.

This score was even higher than the Australian average financial wellbeing score of 59 (ANZ, 2018). Of the survey respondents whose saving deposit amounts stayed the same, their average score (58.7) was commensurate with the Australian average. However, survey respondents who reported their deposit amounts had decreased did not improve their financial wellbeing scores as much as those who's saving deposits increased or stayed the same.

Self-rated financial wellbeing was also significantly associated with a regular savings habit. Of those who rated their financial wellbeing as *high* or *very high*, 67% saved a set amount regularly, compared to 36% of those who viewed their financial wellbeing as *low* or *very low*.

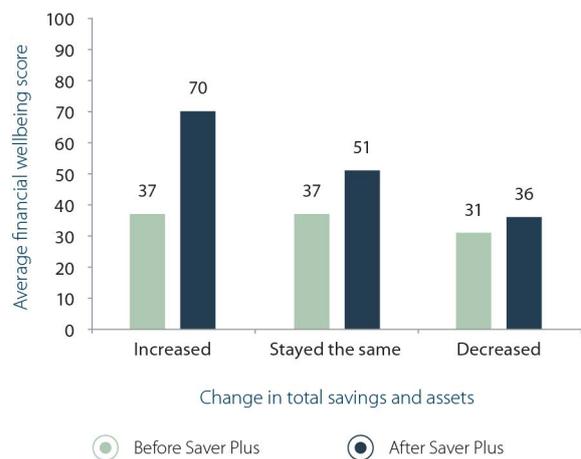
FIGURE 11. FINANCIAL WELLBEING SCORES BY SAVING DEPOSIT AMOUNTS



Total savings and assets

An increase in the total value of assets and savings was associated with increased financial wellbeing. Again the average financial wellbeing scores prior to Saver Plus were very similar across all four response groups. However, survey respondents who stated that their total savings and assets had increased also reported the highest financial wellbeing scores—higher than the Australian average score of 59 (ANZ, 2018). Survey respondents who said their total assets stayed the same (or didn't know) had similar increases in financial wellbeing. But participants who indicated that their total assets and savings had decreased reported only a small increase in their financial wellbeing score.

FIGURE 12. FINANCIAL WELLBEING SCORES BY POST SAVER PLUS SAVING BEHAVIOUR



Survey respondents who indicated they had increased their savings and assets since completing Saver Plus were more likely to rate their financial wellbeing as *high* or *very high* (87%) compared to those with *low* or *very low* financial wellbeing (49%).

These results support the fact that saving regularly and increasing total savings and assets is associated with higher levels of financial wellbeing.

Total amount in savings

In Section 7.2 we reported that since completing Saver Plus, 36% of survey respondents had savings of \$3,000 or more (see Figure 4). Financial wellbeing is also associated with the total amount held in a savings account. Of the respondents who rated their financial wellbeing as *high* or *very high*, 56% had savings of \$3,000 or more. When we analysed their overall financial wellbeing score with the total amount in savings, as savings increased so did their overall financial wellbeing score. Respondents who reported that they had more than \$3,000 in savings had the highest financial wellbeing score (78) but they also started with higher than average scores (47).

FIGURE 13. FINANCIAL WELLBEING SCORES BY TOTAL AMOUNT IN SAVINGS



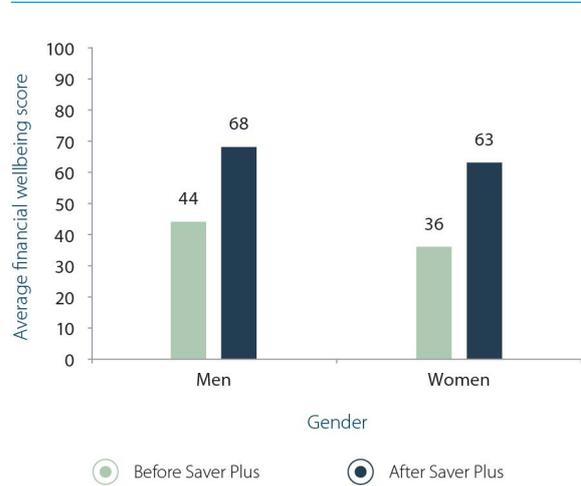
10.3 FINANCIAL WELLBEING AND PARTICIPANT CHARACTERISTICS

In this section we investigate the relationship between gender, age group, family type, income and completion status and changes in financial wellbeing scores.

Gender

Of the survey respondents, men had higher financial wellbeing scores than women before and after Saver Plus although both men and women reported an improvement in financial wellbeing after completing Saver Plus (Figure 14).

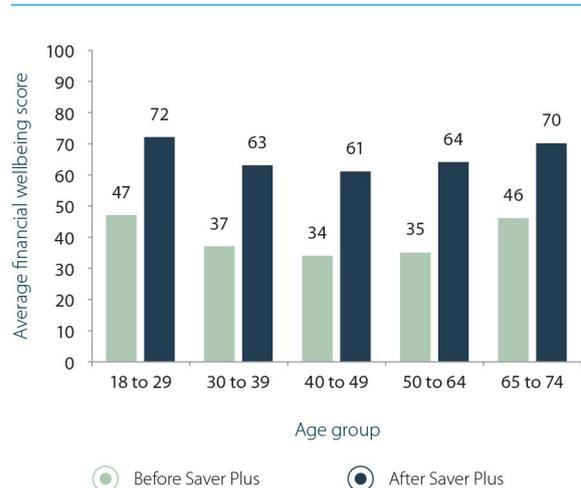
FIGURE 14. FINANCIAL WELLBEING SCORES BY GENDER



Age group

There were significant improvements in financial wellbeing scores across all age groups after Saver Plus. It is also worth noting that the 18 to 29 year age group and the 65 to 74 year age group had similarly higher financial wellbeing scores than the age groups between them, both before and after Saver Plus (Figure 15).

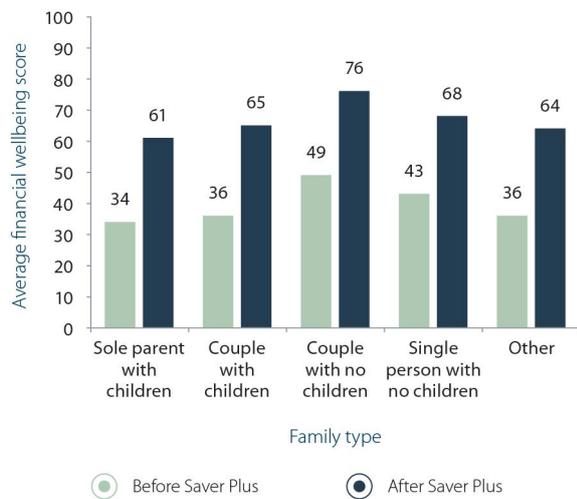
FIGURE 15. FINANCIAL WELLBEING SCORES BY AGE



Family type

When we looked at family type we noted a significant difference in financial wellbeing scores between single parents, those with and those without children. All family types improved their financial wellbeing scores after Saver Plus. Couples without children had higher financial wellbeing scores before and after Saver Plus (Figure 16).

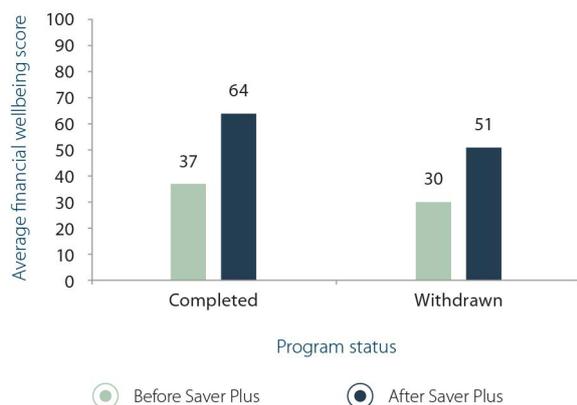
FIGURE 16. FINANCIAL WELLBEING SCORES BY FAMILY TYPE



Program completion status

While the survey respondents who completed Saver Plus and those who did not complete the program improved their financial wellbeing scores, those who did not complete improved less than those who did. Respondents who completed Saver Plus improved on average by 27 points, whereas those who did not complete improved by 21 points. People who did not complete Saver Plus (reach their savings goal and receive matching funds), were still able to receive some benefit from their participation in the program, through support from their local Saver Plus Coordinator or completion of all or part of the MoneyMinded financial education component.

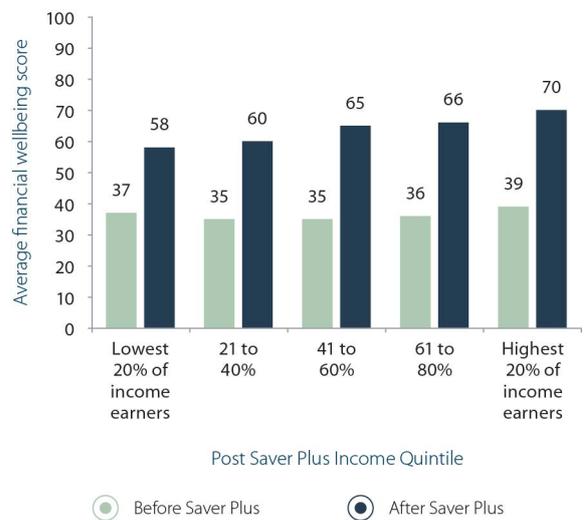
FIGURE 17. FINANCIAL WELLBEING SCORES BY COMPLETION STATUS



Income level

Survey respondents were grouped into five income groups based on their total fortnightly income (i.e. wages, government benefits and other income) post-Saver Plus (at the time of completing the survey). Group 1 represents the bottom 20% of income earners (less than \$1,000 per fortnight for current income) and group 5 the top 20% of income earners (current income greater than \$2,300 per fortnight). Figure 18 shows that for all current income groups, levels of financial wellbeing after Saver Plus improved with increasing income. However, the wellbeing score for participants before Saver Plus was fairly even across all income groups (there was no statistical difference between the income categories). This means that irrespective of post-Saver Plus level of income, survey respondents viewed their financial wellbeing in a similar way prior to Saver Plus. But their ratings of their financial wellbeing after Saver Plus increased along with levels of income. Bear in mind though that in this sample, the highest income group starts at \$59,800 per annum.

FIGURE 18. FINANCIAL WELLBEING SCORES BY POST-SAVER PLUS TOTAL FORTNIGHTLY INCOME LEVEL



10.4 FINANCIAL SELF-EFFICACY AND FINANCIAL WELLBEING

Financial self-efficacy is related to an individual's self-confidence to manage their financial life. It refers to self-belief in having the skills and knowledge to make effective financial decisions and a positive attitude to tackling adverse financial events (Lown, 2011). A number of studies in the US show that matched savings programs have had a positive impact on financial self-efficacy (Delgadillo, 2015; Loke *et al.*, 2015). Australian evaluations have also shown that financial self-efficacy improves after completing a financial education program (Russell, Green, Rankin, & Kutin, 2017; Russell *et al.*, 2015).

Lown (2011) has created a six item scale to measure how well individuals are able to cope with financial shocks and setbacks. The score represents an individual's level of confidence to manage their own personal finances especially when experiencing adverse financial situations. There is increasing evidence of the importance of financial self-efficacy in building financial capabilities including propensity to save (Magendans, Gutteling, & Zeibel, 2017).

The six items used to assess financial self-efficacy:

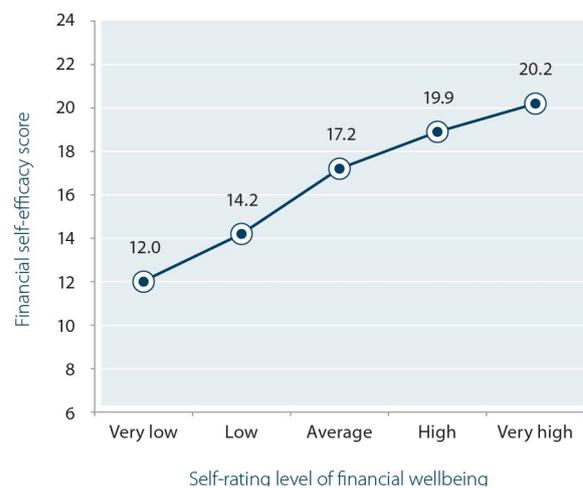
1. It is hard to stick to my spending plan when unexpected expenses arise
2. It is challenging to make progress toward my financial goals
3. When unexpected expenses occur I usually have to use credit
4. When faced with a financial challenge, I have a hard time figuring out a solution
5. I lack confidence in my ability to manage my finances
6. I worry about running out of money in retirement.

Survey respondents¹³ were asked to indicate how strongly they agreed or disagreed with these statements before they enrolled in Saver Plus and again after they completed Saver Plus. A score was calculated based on their answers (the minimum score is 6 and the maximum is 24).

We found that respondents' levels of financial self-efficacy significantly improved over time. The average score before Saver Plus was 12.5 and after completing Saver Plus it was 17.0.

We also found that a participant's level of financial self-efficacy was significantly associated with their self-rated level of financial wellbeing.

FIGURE 19. AVERAGE FINANCIAL SELF-EFFICACY SCORES BY SELF-RATING OF FINANCIAL WELLBEING



"Saver Plus has helped me get in control of my debts and taught me how to actively save for future expenses. I now have a budget on a spreadsheet. I know when my credit card cycle is and can better manage my money."

Jamie, a Queensland Saver Plus participant supported by The Benevolent Society. (Click [here](#) to view her story).



13. Only participants who answered all 6 questions were able to have a score calculated for them.

11. ENGAGEMENT WITH FINANCIAL SERVICES AFTER SAVER PLUS

One of the aims of the evaluation was to explore if Saver Plus had an effect on participants' level of engagement with financial services.

In the survey we asked respondents whether they were still saving into a specific account (just for savings), what types of financial products they held after Saver Plus, whether they have made any changes to their superannuation, banking and insurance products and if they were investing.

11.1 AN ACCOUNT JUST FOR SAVING

We asked survey respondents what type of product they were using for savings after Saver Plus (they could nominate more than one). 89% of all respondents were using a dedicated savings product. 49% were still using their ANZ Progress Saver account, 41% had savings accounts with other financial institutions, 10% used their mortgage offset account, and 4% were saving in a fixed term deposit account.

89% of respondents were still using a dedicated savings product

11.2 FINANCIAL PRODUCTS HELD BY PARTICIPANTS POST-SAVER PLUS

The majority of survey respondents (76%) held insurance products for their home, contents or car. 72% had superannuation. Just over half had a credit card. Only 1% of respondents did not have any of the products listed in Table 5.

TABLE 5. FINANCIAL PRODUCTS HELD BY SAVER PLUS PARTICIPANTS

Financial products	% respondents
An account just for savings	89
Home, contents, or car insurance	76
Superannuation account	72
Credit card	52
Mortgage	36
Private health insurance	35
Life insurance, payment or income protection insurance, critical illness insurance	28
A loan or other type of agreement	24
Investments (e.g. property, shares etc.)	18
Self-managed superannuation fund	3
None of these products	1

11.3 CHANGES MADE TO FINANCIAL PRODUCTS HELD

Successful completion of Saver Plus requires the completion of the MoneyMinded financial education program. MoneyMinded prompts participants to review their financial products, make sure bank accounts suits their needs and consider insurance policies.

Many survey respondents reported they had made changes to their financial products after completing Saver Plus.

- 70% had reviewed their insurance policies
- 59% had changed bank accounts to better suit their needs
- 47% had taken out new insurance policies

Changes to superannuation

The topic of superannuation is covered in the MoneyMinded program. Despite people's concerns about not having enough money for retirement, often the perceived complexity of superannuation was a sufficient barrier to deter people from dealing with superannuation and retirement. The ANZ Financial Wellbeing Survey found that only 32% of Australians had a good understanding of superannuation and investment products (ANZ, 2018). Evaluations of MoneyMinded have shown that superannuation is one of the more valued topics by participants in the community (Russell *et al.*, 2017a). We asked Saver Plus survey respondents if they had made any changes to their superannuation¹⁴ after completing Saver Plus. Nearly half (44%) of respondents consolidated their multiple superannuation accounts, and 26% put more money into superannuation.

11.4 CHANGES IN INVESTMENTS

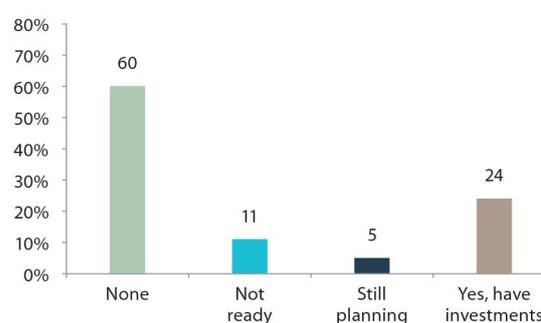
When we asked survey respondents specifically about investments, 24% stated that they had investments, 60% did not have any investments, 5% were still planning their investment strategy, and 11% indicated that they were not ready to invest, as shown in Figure 20.

Of those who had investments, 40% had not changed the amount of money they were investing since Saver Plus, 37% were been putting more money into their investments, 7% had put in less, and 16% indicated that they had only just started investing.

TABLE 6. CHANGES TO SUPERANNUATION SINCE COMPLETING SAVER PLUS

Changes to superannuation	% respondents
Consolidated multiple superannuation funds	44
Put more into superannuation	26
Changed superannuation investment mix	22
Made after-tax deposits to superannuation to get the government co-contribution	19
Made concessional (before-tax) superannuation contributions	15
Made non-concessional (after-tax) contributions to superannuation	8
Set up own self-managed super fund (SMSF)	3

FIGURE 20. DO YOU HAVE ANY INVESTMENTS (E.G. SHARES, PROPERTY)?



14. 72% of participants had a superannuation account and the questions about superannuation only applied to them (on average 1,000 respondents answered the superannuation questions).

12. LIFE STRESSORS IMPACTING SAVER PLUS OUTCOMES

Although people may have every intention to improve their financial wellbeing, to maximise their savings, and set short and long term financial goals, life events can disrupt the best laid plans. Events such as job loss, serious disability, illness, accidents, or the death of a family member can all have devastating financial effects. We are also well aware of the financial impacts of family violence and financial abuse (Adams, 2011; Postmus, Plummer, McMahon, Murshid, & Kim, 2012; Sanders, 2015; Sharp-Jeffs, 2015; Voth Schrag, 2015). Relationship breakdown (divorce or separation) also has a significant impact not only on income but on housing stability and affordability (de Vaus, Gray, Qu, & Stanton, 2014; de Vaus, Gray, Qu, & Stanton, 2015).

We asked survey respondents to indicate whether they had experienced any of these stressful life events in the previous 12 months. We asked if these events had a negative impact on their financial situation and whether their experience in the Saver Plus program had helped them deal with these stressful events.

We were then able to compare the post-Saver Plus financial wellbeing scores of respondents who had experienced any of those life events compared to participants who hadn't, as shown in Table 7.

31% of respondents said that they were dealing with the impacts of mental illness, 24% with serious illness and 21% with not being able to get a job. All these factors can have a significant impact on financial wellbeing.

As we can see by the difference in the Kempson *et al.* (2017) financial wellbeing scores, Saver Plus respondents who experienced serious disability, family violence, involuntary loss of job, not able to get a job, mental illness, serious illness, or divorce or separation all had significantly reduced financial wellbeing scores compared to participants who hadn't experienced these events. The ANZ (2018) Financial Wellbeing Survey confirmed that people who had experienced life events such as divorce and long-term illness were among those with the lowest financial wellbeing scores in the population. Remember the overall average financial wellbeing score for survey respondents post-Saver Plus was 64.

TABLE 7. STRESSFUL LIFE EVENTS AND FINANCIAL WELLBEING

Stressful life events	% yes	Financial wellbeing score if yes	Financial wellbeing score if no	Significance
Mental illness	31	59	66	***
Serious illness	24	59	65	***
Not able to get a job	21	55	66	***
Death of family member or close friend	19	64	64	NS
Involuntary loss of job	11	57	66	***
Divorce or separation	11	59	64	*
Family violence (physical, emotional or financial abuse)	10	55	65	***
Serious disability	9	54	65	***

Note: "Have any of these been a problem for you or anyone in your household, during the last 12 months (% yes)". *** p < .001, * p < .05, NS = not significant

76% of respondents who experienced a life stressor said that it had a negative financial impact, 20% said that it did not change their financial situation.

46% of respondents stated that their participation in Saver Plus had helped them deal with the stressful life event. One participant told of the significant positive impact Saver Plus had on her family being able to cope with her husband's unemployment due to illness:

"After I participated in Saver Plus I made the commitment to pay off my mortgage as quickly as possible. I achieved this goal at the end of 2015. I have no real savings at the moment because I saved and went without to get rid of our home loan debt. My husband was off work for 12 weeks in 2016 with no sick leave or holiday pay...without our mortgage being finalised we would have struggled tremendously. Saver Plus encouraged me to save up for something big, and I did!! The mortgage!! Now no one can take it from us, we own our house. What a great feeling."

Some respondents had experienced several significant stressful events in their lives, yet they were still able to see how Saver Plus had helped them through it:

"When my son almost died in April I was able to take the time off work that I needed to. When I had an accident overseas I was able to protect myself with travel insurance, to have my brother fly over to help me get home, and to take the additional 3 weeks I needed off work to recover. I also have enough in savings to ensure that I can take time off work to attend my exams for university and to fly to and from [an Australian city] 3 times last year to complete an additional Diploma. Saver Plus has helped me financially to invest in myself and better support my children as a single parent."

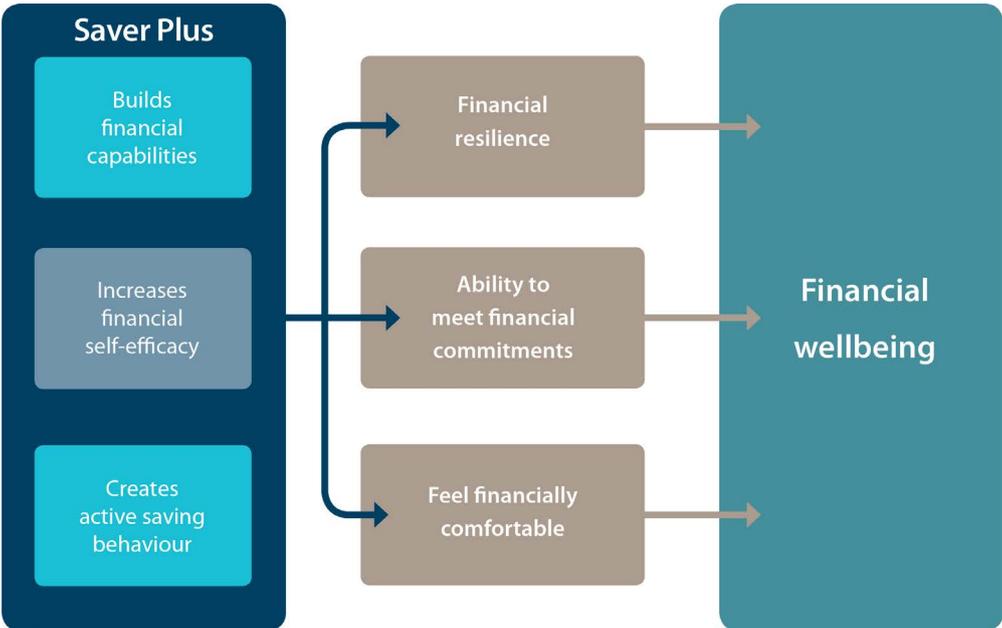
13. THE ROLE OF SAVER PLUS IN CREATING FINANCIAL WELLBEING

Saver Plus, through the combination of financial education, support and the incentive of matched funds improved the financial wellbeing of respondents. Over the period of engagement in the program and post-Saver Plus, participants developed active saving behaviour, built financial capabilities and improved their level of financial self-efficacy.

These individual outcomes helped to improve participants' ability to meet their financial commitments in the present and also gave them a sense of confidence that their financial future is more secure. Financial resilience increased and participants felt less stressed about their

financial situation and more financially comfortable than they did prior to Saver Plus. In using the newly developed financial wellbeing scale (Kempson *et al.*, 2017) we have shown that participants' levels of financial wellbeing increased after completing Saver Plus.

FIGURE 21. THE ROLE OF SAVER PLUS IN CREATING FINANCIAL WELLBEING



14. LABOUR MARKET ENGAGEMENT AND FINANCIAL WELLBEING

14.1 INTRODUCTION

Employment and income are key determinants of financial wellbeing (Kempson *et al.*, 2017). Increasing employment has not been the primary aim of matched savings programs – either in Australia or internationally, although in the US starting a small business is a common goal for saving. Hence, evidence of traditional matched savings programs eliciting increased labour market engagement and employment opportunities is scarce. However, in the US there have been a small number of evaluations that have explored the effect of matched savings programs on employment when the program was integrated into other services. For example, some family self-sufficiency programs have incorporated matched savings programs into other social services.

The NYC Work Rewards offers a matched savings program as part of a large suite of services which include needs assessments, case management, family based support services and financial education classes (Nunez, Verma, & Yang, 2015). A five year long randomised control trial involving 711 participants found that the program had a small impact on employment over a four year period for those who were not working at the beginning of the program.

The Santa Clara Family Self-Sufficiency program (US) also found positive impacts on labour market engagement. The program provides a combination of employment and job preparation services and financial services. A matched savings component and financial education has been successfully integrated into other frontline services, with a mixed methods evaluation of the program finding that the program contributed to participants gaining full time employment (Resource Development Associates, 2016).

Saver Plus does not aim to improve or influence a person's employability. However, participants' discussions around saving and budgeting, and therefore income and expenses, may prompt a review of employment and income-earning capacity.

We asked survey respondents whether there were any changes to their work hours or employment since completing Saver Plus. Whether these changes could be attributable to Saver Plus is hard to say. However, what we do see is that if there was a negative impact on employment, then this was reflected in lower financial wellbeing scores.

PHILIP

"If I didn't do Saver Plus, I'd be struggling to get my security licence. The matched savings has helped me pay for it and enter the industry, which eventually led to a full time job."

Philip, a Victorian Saver Plus participant supported by Brotherhood of St Laurence. (Click [here](#) to view his story).



14.2 CHANGE IN HOURS WORKED

We asked survey respondents if there had been any change to their employment to determine any effect on their financial wellbeing scores.

In the 12 months prior to completing the survey, most respondents had either increased the number of hours they worked (38%) or there was no change to their work hours (39%). About a quarter of respondents experienced a decrease in their work hours (23%) in the 12 months before completing the survey.

77% **Participants whose number of hours worked increased or stayed the same**

Survey respondents who increased their hours of work had higher wellbeing scores (67) compared to the rest of the sample who answered this question.

Survey respondents who saved for their own education were more likely to report having increased their work hours (36%) compared to those who saved for their children, or jointly saved for themselves and their children.

14.3 CHANGE IN EMPLOYMENT

Job loss

Nearly one in four (23%) survey respondents had at some point since completing Saver Plus experienced a loss of employment. Expectedly, losing a job was associated with a reduced financial wellbeing score. The average financial wellbeing score for participants who had experienced job loss since Saver Plus was 59 compared to 65 for all other respondents.

Starting a new job

About half (54%) of the survey respondents had started a new job since completing Saver Plus. Participants who had started a new job had higher financial wellbeing scores (66) compared to those who hadn't (61).

Those who saved for their own education were more likely to start a new job. Of those who saved for their own education, 69% started a new job since completing Saver Plus, compared to the 47% of those who saved for their children or for themselves *and* their children).

14.4 CHANGE IN EDUCATION OR TRAINING

Commenced new education or training program

Of all the participants who completed the survey, 39% had commenced a new education or training program since they completed Saver Plus. However, their financial wellbeing scores were not different from those who had not started a new education program.

Survey respondents who saved for their own education were more likely to start a new education or training program (52%) compared to the rest of the sample, for whom 36% started a new education or training program.

Completed an education or training program

A third of the survey respondents had completed an education or training program since Saver Plus. These participants were more likely to have slightly higher financial wellbeing scores (66) compared to those who hadn't (63).

As expected, those who saved for their own education were much more likely to have completed a new education or training program (49%) compared to the rest of the sample (29%).

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