



A little idea ... with big results



Our Partners



The Benevolent Society
www.bensoc.org.au



Berry Street
www.berrystreet.org.au



The Smith Family
www.thesmithfamily.com.au



State Government of Victoria
www.vic.gov.au

Acknowledgment

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“A little idea...with big results”

In 2002, ANZ and the Brotherhood of St Laurence had a little idea to encourage low income earners to save money.

Together they designed Saver Plus, a matched savings program which aims to increase personal saving and enhance the financial capabilities of people on low incomes.

Five years on, Saver Plus is now recognised as one of the most successful programs of its kind in the world*. It has helped participants reach their savings goal and develop skills to improve their financial future.

More than saving money, Saver Plus has helped change the lives of thousands of people on low incomes. It has the potential to help close the financial and social divide for many more.

Saving helps break the poverty cycle

Saving money is a vital life skill and is critical to a person's overall financial well-being.

It connects people to the economy, raising their economic expectations and helping them shape their lives. It also protects them against unexpected costs that may arise from time to time.

On the other hand, low savings can leave people exposed to financial shocks, like those caused by rising living expenses or changes in personal circumstances.

The impact can be exacerbated for people on low incomes. Without a savings buffer, they can be forced to go without the 'essentials' that many of us take for granted, like a fridge.

Low savings can also prevent people on low incomes accessing mainstream financial products and services which can help build wealth. Worse still, they can be forced to access high cost fringe lenders, often leading to or compounding the classic poverty cycle.

* Russell, R. (2008) Saver Plus: It's more than saving. Report for ANZ



Saver Plus aims to change the way people on low incomes think about their finances.

The Steps of Saver Plus

1 Eligibility

- At least 18 years old
- Eligible for a Health Care Card or Pension Concession Card
- Some regular income from work
- Either a parent or guardian of a child at school or enrolled in a vocational training course

2 Set Goal

- Meet with Saver Plus Worker who explains the rules of the program and together set a savings goal

3 Open account

- Open a Progress Saver Account at local ANZ branch

4 Attend workshops

- Attend 10 hours of financial skills workshops which explain the basics of money management

5 Save

- Make regular deposits into ANZ account over 10-18 month period
- Saver Plus Worker keeps in regular contact

6 Matching

- Reach savings goal. ANZ matches savings dollar-for-dollar up to \$1000



A little idea to help people save

For people on low incomes who are often living week-to-week, immediate household expenses and other priorities can sometimes get in the way of their best intentions to save.

Saver Plus gives these people an opportunity to take the first step toward building a long-term savings habit. It is based on a belief that given the right incentives, support and education, they can save money.

Participants set themselves a goal to save an amount of money during the program. Upon reaching that goal, ANZ matches their savings, dollar-for-dollar up to \$1000. Participants then use the money they save towards their own or their children's education expenses.

While the idea of 'free money' attracts many to the program initially, they soon realise that Saver Plus is more than just about the matched funds. Their own success and accomplishments become the focus, as they experience a growth in their savings and their skills and confidence in dealing with money matters.

Project workers from community organisations mentor participants every step of the way to help them stay on track with their savings goal and overcome any problems they may be having.

Participants also attend financial education workshops. This gives them an opportunity to talk about finances in a safe and supportive environment and build money management skills they can use beyond the life of the program.

Saver Plus aims to change the way people on low incomes think about their finances – from just 'getting by' to actively managing their money so they too can build assets and secure their future.



Closing the financial gap

Saver Plus is ANZ's 'flagship' community investment program.

For ANZ, it makes perfect sense to use its resources and expertise to help low-income earners manage their money and build assets.

The idea for Saver Plus is supported by ANZ's biannual research into adult financial literacy. It identifies a clear need to help people struggling with the basics of money management such as budgeting and saving. ANZ discussed these findings with the Brotherhood of St Laurence to work out how best to respond. The Brotherhood's insight into the needs of people on low incomes enabled the outline of a program to emerge.

Research also consistently shows that successful saving builds participants' appetite to develop a stronger relationship with their bank*. They are more likely to seek financial products that will help them continue to build a savings base for themselves and their families.

Saver Plus therefore has a direct business benefit. Helping to build a more informed market with a stronger connection and greater access to mainstream products and services is clearly vital to the long-term effectiveness and efficiency of the Australian banking industry.

In addition to providing the matched funds, ANZ provides the resources for the program's delivery and with the Brotherhood of St Laurence, continually monitors the success of the program to identify potential improvements in its design.

And the program has 'hit a chord' with ANZ staff, providing many with the opportunity to use their knowledge and skills to make a real contribution to their community.

"The staff in my branch are always keen to help with Saver Plus and support project workers to deliver the financial literacy training to participants wherever possible," said Dianne Mills from ANZ in Frankston, one of the 20 Saver Plus sites in Australia.

"As well as building staff morale, I believe Saver Plus gives us a real opportunity to reach more customers. It is always so rewarding to see a Saver Plus participant in the branch when they have finished the course – this time as a customer!"

According to Tony Nicholson, Executive Director of the Brotherhood of St Laurence, Saver Plus fits well with the organisation's overall approach to assisting disadvantaged people build capacity and tackle issues early on.

"The best part about Saver Plus is that it helps people to help themselves. They make the effort and gain the personal satisfaction and self-esteem from achieving the goal themselves.

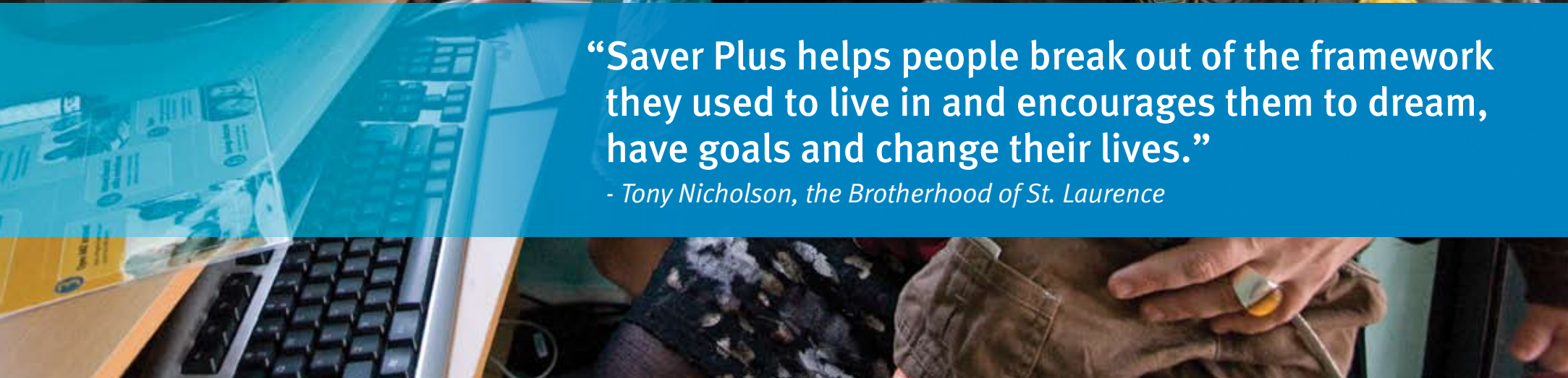
"Saver Plus helps people break out of the framework they used to live in and encourages them to dream, have goals and change their lives."

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“Saver Plus helps people break out of the framework they used to live in and encourages them to dream, have goals and change their lives.”

- Tony Nicholson, the Brotherhood of St. Laurence





“Saver Plus is aligned with our aims to work with disadvantaged families early enough to improve their opportunities and choices.”

- Tracy Pell, Saver Plus Program Manager, Berry Street



Working together to achieve a common goal

Saver Plus is a partnership, combining the resources and expertise of ANZ and the Brotherhood with three other community organisations: Berry Street, The Benevolent Society and the Smith Family.

“Cross-sector partnership has been key to the success of this program,” says Michelle Commandeur, Head of Community Relations at ANZ.

“The partnership approach has allowed us to reach a wide and diverse audience. The people in real need generally do not have a strong current relationship with a mainstream bank so our ability to make that initial connection with them is limited.

“Our partners implicitly understand this audience, both the money issues they are facing and the broader socio-economic context in which they live,” she says.

According to Catherine Lyons-Crew, Manager of the Benevolent Society’s Financial Inclusion Program, Saver Plus has been a great help in tackling the everyday money and consumer problems faced by clients seeking the Society’s services.

“A number of years ago, we identified financial exclusion as underpinning other issues confronting our clients.

“But our organisation was looking for tools and skills to help our staff deal with the financial issues raised by clients

and so the offer to participate in Saver Plus was timely. The knowledge and skills we have picked up through Saver Plus have flowed through to other areas, adding another level of support and awareness to our work.”

Berry Street established one of the first Saver Plus programs sites at Shepparton, in Victoria’s north, in response to significant emerging socio-economic problems in the region.

“Saver Plus is aligned with our aim to work with disadvantaged families early enough to improve their opportunities and choices,” said Tracy Pell, Berry Street’s Saver Plus Program Manager.

“Shepparton has a significant Iraqi migrant population and we have implemented Saver Plus as part of our efforts to ensure these families make the best possible start in their new country and feel included in the local community.”

The Victorian Government has also seen the value of bringing Saver Plus to more communities, with the Department of Planning and Community Development contributing \$1.35 million over three years to the delivery of the program to regional areas of Victoria.



70% of Saver Plus participants are still saving the same amount or more 2 to 3 years later.





Saver Plus is getting real results

Research conducted by RMIT University suggests Saver Plus is best practice when compared to other similar programs around the world.

It has reached over 4800 people on low incomes in the past five years in 20 locations around Australia.

Ninety-six per cent of participants who complete the program meet or exceed their savings goals. On average, Saver Plus participants save approximately \$1,200 over the 10 to 18 months program.

However, the real test of Saver Plus's success is whether participants continue to save after the program is finished.

RMIT's evaluation says it is succeeding on this measure as well, with 70% of participants continuing to save the same amount or more 2 to 3 years after completing the program. This means Saver Plus is not only helping people achieve the initial goal they set themselves for the program, but that it is also having a lasting and positive effect on people's financial habits.

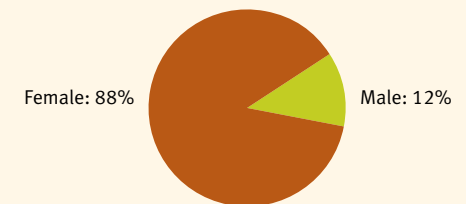
So what is it about Saver Plus that makes it successful?

The research suggests it is a combination of factors: the focus on education; the close support offered to participants to guide them along the way and the self-confidence, dignity and pride that comes with setting a goal and achieving it.

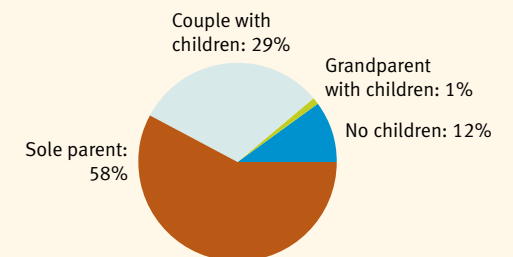
About Saver Plus participants

- Over 4800 participants over the past 5 years
- 96% meet or exceed their savings goal
- 70% are still saving the same amount or more 2 to 3 years later

Gender breakdown



Family status





Matching funds provide the ‘hook’

The matching of funds is not ultimately the reason why the majority of Saver Plus participants achieve their savings goals. But more often than not, it is what attracts participants in the first place and keeps them motivated – both key challenges for any community program.

For many, having their savings matched dollar for dollar is a unique opportunity to regain control of their finances.

Before joining Saver Plus, Daniel had tried saving but could never get ahead.

“Saver Plus gave me an incentive to work extra hard on building my savings,” Daniel said.

“I knew I needed to learn how to save and use money more wisely, but before I didn’t know where to start. Saver Plus gave me more focus.”

Linda wasn’t sure what to make of Saver Plus when she first heard about it through her daughter’s school.

“At first I thought, “What’s the catch?”, but I was willing to give it a go – and at the time I was grateful for any help I could get with my children’s school expenses.”

Education is the life long asset

Saver Plus is further evidence that education empowers people.

Attendance at financial education classes is compulsory for all participants. While this requirement is initially not to everyone’s liking, more than 80% of participants nominate these classes as the most valuable aspect of Saver Plus, with the most lasting impact.

People living on a low income can be excellent budgeters, making ends meet week-to-week. But the Saver Plus classes encourage participants to think beyond ‘just getting by’. They highlight the value of planning for the future and having savings to fall back on if they have unexpected costs like car repairs or a broken fridge.

And the most valuable part is they are able to put what they learn in classes into practice towards their savings goal straight away.

“The classes really changed my mindset about money,” said Lebe, a Saver Plus participant from Shepparton in regional Victoria.

“Saver Plus taught my wife and I to be much more aware of our spending and to plan ahead for unforeseen expenses. We now continually remind ourselves to keep to our budget by writing everything we spend in a book while cutting down on things we ‘want’ but don’t ‘need’.”

Michelle Wakeford from the Brotherhood can see the impact the classes have on those who attend. “The workshops help them see past living week to week. They talk about feeling in control of their finances and for the first time they can see a way out of their current situation.”

Gregory Mowle, The Smith Family’s Financial Literacy Program Manager, credits Saver Plus with giving people the basic tools and skills to build a platform for their future.

“It’s been great to see participants from the start, to see them writing their first budget and supporting them and then seeing their transformation into savers,” Gregory said.



Saver Plus is further evidence that education empowers people.





“I knew I needed to learn how to save and use money more wisely, but before I didn’t know where to start. Saver Plus gave me more focus.”

- Daniel, Saver Plus participant





Support network builds resolve

The Smith Family's Gregory Mowle also sees another, more intangible benefit of the education classes.

"I knew I was part of something special when I saw the interaction between fellow participants and the friendships that had been formed.

"I remember a group who said at the end of the program that they wanted to keep coming back because they had made such good friends".

Tracy Pell, Berry Street's Saver Plus Program Manager, agrees that the ability of Saver Plus to bring groups of people together has been one of its great successes.

"Group dynamics create a great support network. It makes participants almost feel invincible and friendships are built which is important in rural areas where less support is available."

Many participants report learning as much from their fellow participants as they did from the education classes. They are all in similar financial situations and have a common objective to improve their money management and savings skills.

"We were able to motivate each other," said participant Daniel.

"Advice from other participants has helped me write budgets and spend less by buying fresh fruit and vegetables and taking fewer trips to the supermarket."

Mentoring improves results

The close support of project workers is also important in helping participants with any problems they may have along the way and to make sure they stick to their goals.

Project workers do monthly checks of participants' progress to ensure they pick up on difficulties sooner rather than later. A participant may occasionally need extra advice and support to get through a difficult time, which may be distracting them from their savings efforts. In many cases it is this support that has made the difference between success and failure.

And project workers are also there for those who, for one reason or another, are not able to achieve their Saver Plus goals.

"While we try and mentor participants through the program as much as possible, the fact is sometimes circumstances outside their control mean they have to use their savings for another purpose," explains Berry Street's Tracy Pell.

"But that can be a learning experience in itself and we always ensure we follow up that person down the track so they can join the program again when their situation has settled down."

For many participants, Saver Plus is the first time they have felt supported by their local community. The care and empathy shown by project workers has helped Saver Plus achieve the lowest drop out rate compared to other similar programs*.

* Russell, R. (2008) Saver Plus: It's more than saving. Report for ANZ



Saving changes mindsets

Reaching their savings goal has had a profound impact on Saver Plus participants.

For many, it is the first time they had achieved a goal and has triggered other positive changes to their lives.

“When they know they can save, people feel more at ease with their finances and then feel more at ease within the family home ... and feel better within themselves,” according to Berry Street’s Tracy Pell.

“Saver Plus can teach them to save from a background of nothing – suddenly new things are possible because they can say “I’m capable of saving for it””.

Many participants comment that previously they did not feel they had the ‘right’ to save or strive beyond just ‘making ends meet’.

Participants report that achieving their savings goal has given them confidence to break out of their ‘low income status’. Many were proud of finally being able to make life better for their children by contributing to the cost of extra curricular school activities such as camps, excursions, music and sports.

And the achievements of participants through Saver Plus flow into other areas of their lives.

“We often receive feedback from participants about the changes they’ve made in their lives after Saver Plus,” said Catherine Lyons-Crew of the Benevolent Society.

“The changes they talk about are not just with financial management, but in other areas. For some people Saver Plus sparks off other positive developments – they make better choices, get back into education or sometimes open their own business.”

In this way Saver Plus has the potential to not only encourage a savings habit in participants, but to also help their overall inclusion in mainstream society.

Family lessons

When participants start to see the benefits of Saver Plus they naturally want to share their experiences, and new found savings skills, with their families. By encouraging family learning, Saver Plus can help break down the cycle of intergenerational poverty.

Children in particular witness first hand how rewarding effective money management and saving can be, especially when the Saver Plus proceeds are used to increase their opportunities to participate in school activities.

After Kim, a Saver Plus participant, reached her savings target, she spoke with her daughter about what they should spend their savings on. They settled on a laptop and study workstation.

“The laptop has increased my daughter’s online research skills, allowed her to do more projects for school and taught her to be more responsible and look after things. She now has her own piggy bank and is saving for a horse riding helmet,” said Kim.

Many participants have taken the next step and opened up accounts for their children, and in some cases, started a matched savings arrangement with their children.



By encouraging family learning, Saver Plus can help break down the cycle of intergenerational poverty.



The next challenge is to expand Saver Plus so that it can reach and benefit more low income households.



Saver Plus: a proven financial and social inclusion initiative

The Saver Plus model is working.

The program is empowering people on low incomes to achieve their savings goals and to develop the skills to help them build a financial base for the future. And the evidence suggests the vast majority of people are maintaining these skills for the long term, continuing to save one, two and three years after they complete the program.

In building their financial assets, skills and confidence, Saver Plus is also giving people a greater chance to fulfill their potential to participate in mainstream economic and social life. A person who saves is more likely to be able to purchase a home, access and pay back safe and affordable credit and weather financial emergencies when they arise.

The next challenge is to expand Saver Plus so that it can reach and benefit more low income households.

To encourage this expansion, ANZ and the Brotherhood have developed a program that is replicable. A licence model is already being tested with several new agencies and funders.

“The success of Saver Plus has come about through a genuine business-community-government partnership approach,” said Brian Hartzer, ANZ’s Group Managing Director, Personal Division.

“Together, we have worked hard over the past 5 years to develop a model that can make a genuine difference. Saver Plus has already played a role in turning around the lives of many people in need, putting them back in control of their finances.

“We hope it can now be picked up and delivered by others in the corporate, government and community sectors who share our commitment to improving the social and financial inclusion of people on low incomes.”

There are now several examples of others’ investment in Saver Plus. In addition to the Victorian Government’s \$1.35 million contribution to the program’s delivery in Victoria, the Tasmanian Community Fund, established to help strengthen individual and community capacity, is assisting The Smith Family to bring Saver Plus to Tasmanian communities for the first time.

“ANZ, the Brotherhood and all the other partners have together built great momentum with Saver Plus,” said the Brotherhood of St Laurence’s Tony Nicholson.

“Saver Plus can play a key role as part of a broader social inclusion strategy. We have seen first hand the change it has made to thousands of people and its potential to link low income families, currently living on the fringes, back into the mainstream.”



For more about Saver Plus



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