



# MAKING MONEY COUNT MORE

An evaluation of Making Money Count, a financial education program of Mission Australia, funded by the Citi Foundation.

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## Evaluating Making Money Count

Sinclair Consultants Pty Ltd completed an extensive review of the financial capability program - Making Money Count in 2011. Sinclair Consultants have over 35 combined years of experience, specialising in research and evaluation.

Action research was chosen as the evaluation approach as this builds on the existing project and the program facilitators knowledge and skills.

## 0.1 Making Money Count

### Today's financial world calls for us to make a wide range of highly complex choices.

The decisions we make on a daily basis range from simple daily spending and budgeting choices, to decisions regarding insurance, banking or investment products, or saving for major life events like retirement and education or purchases like a home.

These decisions can profoundly impact the financial security, well-being and inclusion of individuals and families, so it is vital for Australian consumers to have sound financial literacy skills.

Providing people with the skills to establish good financial habits and responsible attitudes from an early age can enhance long-term financial security and lifestyle.

The *Making Money Count* financial education program, funded by the Citi Foundation and delivered by Mission Australia's Triple R Services, aims to provide these skills.

### Providing vital life skills

Specifically, the program focuses on giving disadvantaged adults and young people (age 16 and over) the skills and knowledge they need to achieve financial security in the future.

This report is a summary of what *Making Money Count* involves, who it is aimed at, and the results it is achieving.

“ I truly believe that we can go anywhere and deliver this training whether the participants are on an income of \$200,000 per year or just \$20,000 per year - it's the Program that inspires and motivates. ”

*Making Money Count* Facilitator

## 0.2 Program participants

### Empowering some of Australia's most disadvantaged communities.

Mission Australia's Triple R Services is a financial counselling service delivered from the charity's Campbelltown hub. A number of residents in the surrounding region face significant disadvantage including poor educational outcomes, low income, high unemployment and limited access to services such as the Internet and computers. Mission Australia data confirms that increasing numbers of families and individuals from the region are seeking financial counselling.

The *Making Money Count* program is delivered in two locations - Campbelltown in Sydney's south west, and Wollongong in the Illawarra region located to the south of Sydney.

#### Campbelltown

Poverty is the major factor affecting quality of life for many Campbelltown residents. Significant numbers of people experience extreme disadvantage including high rates of unemployment, low educational attainment, poor health and very low incomes. Approximately one in five Campbelltown children (aged to 15 years) live in a jobless household.

#### Wollongong

Wollongong is home to some of the richest - and poorest - families in Australia. A recent

study found several of Wollongong's suburbs were ranked among the 20 most disadvantaged in NSW. Unemployment rates are high among young people and there is evidence of withdrawal of older workers (55+ years) from the workforce resulting in considerable under-employment.

These demographics correspond with Mission Australia's own statistics, which demonstrate a threefold rise in recent years in the number of clients with mortgage repayment and foreclosure issues, who are accessing financial counselling. There has also been an increase in people aged 20 - 29 years seeking counselling, and an increase in the number of disadvantaged individuals citing financial difficulties.

### Participant selection

Program participants are referred through Mission Australia's existing financial counselling services such as Triple R Services, and also come from other partner community service organisations.

Participants who complete the program fit in to two groups - those currently experiencing financial stress; and those who are showing early symptoms, or who are at risk of experiencing financial stress. Across both geographic regions, 36% of *Making Money Count* participants were receiving Centrelink benefits and only 4.9% were in full time employment.

## 0.3 Changing lives. Making measurable progress.

Program data has revealed that participants in *Making Money Count* demonstrated significant increases in ability and/or improvement across many areas of financial literacy including:

- how to identify income and spending;
- how to set and use a budget;
- how to work towards realistic financial goals;
- personal knowledge of support services available; and
- the ability to deal more confidently with money management issues.

As a guide, when participants were asked to rate on a scale of 1 to 7 how confident they felt about managing their own money, only 10.84% indicated they felt very confident prior to the training. However, post training, 52% noted that they were either confident or very confident in managing their money.

While participant progress is measured through pre and post program questionnaires, follow up contact also occurs three months after completion of the program. This helps to ascertain whether positive results have been sustained, and to provide further referrals or assistance if required.

As Table 2 indicates, the program saw significant increases in confidence across a range of key financial skills – results that remained largely stable or even improved, three months after completion of the program.

Focus area	Participants who rated themselves as confident in each skill:		
	Pre-training	Post-training	3-month follow-up
Knowledge of how much money they had to spend each week	65%	89%	86%
Knowledge of what they spent their money on each week.	59%	92%	100%
Ability and motivation to use a budget	25%	82%	79%
Knowledge of services/ organisations that can assist with financial problems	26%	94%	93%
Ability and motivation to save money	35%	81%	62%
Ability to set a financial goal and achieve it	53%	88%	100%

## 0.4 A closer look at Making Money Count

### Teaching the building blocks of financial security

Participants in the *Making Money Count* financial education program receive six to eight hours of group financial literacy training delivered weekly over four weeks. The structure of the program is outlined in Table 1 (right).

### Focus on practical applications

The focus of each session is learning through group discussion and practical activities. The beginning of each session reviews the information from the previous session before building on it and the conclusion of the sessions focuses on practical activities to consolidate the knowledge gained.

Participants are given resources such as budgeting tools and information sheets to use throughout the program and also to support them manage their finances in the future. An important section of the training focuses on increasing the participants' ability to save money even if it is only a small amount each week or fortnight.

Program Facilitators also provide information and resources about the local community to connect participants with various support networks such as financial counselling services.

Table 1 - Components of the 4-week *Making Money Count* program

Session	Title	Content	Outcomes
Session 1	<i>Income vs. Expenditure Needs vs. Wants</i>	Spending Diary explained and implemented.	Understanding of how to identify income and expenditure.
Session 2	<i>Budgeting</i>	Creation of a budget.	An understanding of how to set and use a budget.
Session 3	<i>Financial Goals Creation of practical budget</i>	Discussion of 'SMART' - goals that are specific, measurable, achievable, realistic and timed.	How to set and work towards realistic financial goals.
Session 4	<i>Revision Appropriate referrals</i>	Group discussion and activities. Referral information.	Consolidation of program knowledge. Knowledge of appropriate Referrals.

“ Our program works really well because we use a whole range of strategies. ”

*Making Money Count Facilitator*

## Key elements to effective financial literacy training

The underlying foundation of *Making Money Count* is respect - a non-judgemental attitude coupled with the basic premise that participants are the experts in their own financial lives.

The key to the success of *Making Money Count* is the engagement of participants, with self-disclosure playing an important role. This assists Program Facilitators develop an understanding of how the participants think and feel on a variety of financial issues.

“ We are not here to judge participants. Our job is to give them information, options, abilities and the tools to make choices - their own choices. ”

*Making Money Count* Facilitator

## The value of non-monetary activities

Program Facilitators build into the sessions, where appropriate, an emphasis on spending non-monetary time with families, friends and significant others.

Anecdotally, Facilitators report that many participants only spend time with their children on their payday and the activities they have with their children tend to cost money (for instance, buying toys or a trip to the movies). This segment of the program is designed to restructure participant's thinking so that they look for non-monetary activities before reaching for their wallets.

“ I'll never forget that memories with my children cost me nothing ... that was really good - that whole part about memories with my kids. I will spend more time with my kids and make my own memories! ”

*Making Money Count* Participant

## 0.5 Studies of success

The following case studies are just two examples of the successful behavioural change achieved by the *Making Money Count* program.

### Climbing out of debt at age 25

Ben was 25 years old, unemployed and living at home with his mother. He had substantial barriers to employment including limited education and low literacy skills, and his gambling addiction meant Ben struggled to make ends meet on an income comprised entirely of Centrelink's Newstart Allowance (approx. \$400 per fortnight).

Ben was consistently borrowing money from his mother. This negatively impacted his ability to search for employment as he did not have enough funds to pay for repairs to his car and so had no means of transport to attend job interviews.

Ben's Mission Australia Employment Advisor referred him to the *Making Money Count* program. He attended all of the 4 x 2 hour sessions during which time the growth in Ben's financial self-awareness was substantial.

Initially Ben's whole pay would go on his gambling; hence his original spending diary was basically filled with sports bets and

takeaway food. However over the course of the program, Ben opened a new bank account and started a direct debit saving plan in order to complete the repairs on his car. His gambling decreased dramatically as his goal was to repay his mother the funds he owed and not re-borrow.

With the help of Ben's employment advisor he secured some casual work, which increased his income. During session three of the program, Ben explained the excitement of having more money and the power he felt with his choices compared to the feeling of anger after having no money the day after payday.

By the end of the four week program, Ben had achieved his goal of paying his mother back and had not re-borrowed. Ben explained that he had been made aware of the importance of not just living for the moment and he wanted to be better. His 3-month follow up results were also very pleasing; he answered 'YES' to currently saving money and his stress level had scored 6 out of a possible 7 (where 7 is NOT stressed at all). The collaborative work done with his gambling counsellor, employment advisor and Ben's own willingness to make the necessary changes had created excellent outcomes.

## Learning to save. Accessing support systems.

Frank was a 36 year old homeless, unemployed man living out of his van. He had moved to the Illawarra from Melbourne to escape past associates and commence a new life. In doing so however, he had also forfeited his support network of friends and family.

Frank's total income (comprised of Centrelink benefits) was being consumed by fuel and convenience food purchases (being unable to prepare meals in his van). Frank was identified as needed assistance learning to save as his car registration renewal was fast approaching - an essential expense as the vehicle doubled as his home.

Creating a SMART goal of saving \$90 each week for nine weeks to pay \$800 for the vehicle's registration and compulsory insurance, was very challenging for Frank. He was forced to cut back significantly on his spending and take advantage of any free services in the local area - which he was previously unaware of.

Throughout the *Making Money Count* program, Frank implemented, with assistance, a spending diary to track his income and expenditure. This not only helped make him aware of his actual income, but also highlighted his spending 'leaks'. Frank started to research free or cheap meals in the area

and created a timetable for himself. This proved very beneficial as it not only provided him with food but also gave him the ability to socialise and connect with members of the community, thus rebuilding a new support network

With the program's assistance, he was able to pay his registration and began making his way back to Melbourne.

## Summary

The *Making Money Count* financial education program is characterised by a number of strengths and innovations, which can be defined as leading practice. Moreover, the program is supported by a facilitating team, who are to be commended for their passion and willingness to continually drive improvement.

However it is the results of the program that are most rewarding. *Making Money Count* is targeted at a diverse and often disadvantaged, marginalised section of the Australian community, and in so doing, promotes vital inclusiveness. Importantly, it provides the knowledge, empowerment, tools and referrals for each participant to achieve at least one positive outcome towards regaining control of their financial well-being - and for many participants, this can be a life-changing experience.

## 0.6 About Mission Australia

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Mission Australia is one of the nation's leading community service charities. Last year, it helped more than 300,000 people across its network of 450 services located in metropolitan, rural and regional Australia, in every state and territory.

Mission Australia has been helping transform the lives of individuals and families in need for more than 150 years. We make a real difference by working with people through their challenges and enabling them to pursue more positive, independent lives.

Through its programs and services, Mission Australia combats homelessness; assists families and children overcome hardship; supports disadvantaged young people; delivers entry-level training; and helps long-term unemployed people find permanent work. Additional information can be found at [www.missionaustralia.com.au](http://www.missionaustralia.com.au).

## 0.7 About Citi Foundation

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The Citi Foundation is committed to the economic empowerment and financial inclusion of individuals and families, particularly those in need, in the communities where we work so that they can improve their standard of living. Globally, the Citi Foundation targets its strategic giving to priority focus areas: Microfinance, Enterprise Development, Youth Education and Livelihoods, and

Financial Capability and Asset Building. The Citi Foundation works with its partners in Microfinance and Enterprise Development to support environmental programs and innovations. Additional information can be found at [www.citifoundation.com](http://www.citifoundation.com).

