

**The Social Impacts of a Savings Mobilisation Program in Australia:
The case of Saver Plus**

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Abstract

The financial benefits of microfinance programs have been widely noted in the literature. Microfinance programs in developed and developing countries have enabled low-income individuals to start an enterprise, buy household goods or provide education for themselves or their families. However, the social impacts of microfinance programs are less tangible and harder to measure. There is growing evidence however of microfinance programs having the potential to produce a range of social impacts that contribute to social capital and increase levels of social inclusion.

This paper will use the example of Saver Plus, a microfinance savings program in Australia to show evidence of social impacts arising from the program. Since the program's inception five years ago, the participants have consistently reported benefits such as: increased levels of confidence and self esteem; reduced stress; increased social networks; positive intergenerational benefits; greater propensity to plan for the future; feelings of greater control over their lives and better educational experiences.

Also, the findings suggest there are certain supply variables such as cross-sector partnerships and particular combinations of program design elements that are conducive to increasing social capital and social inclusion within a community.

1.0 Introduction

Microfinance programs have grown exponentially over the last few decades in efforts to alleviate the effects of poverty. Consequently, there has been much debate about costs, impacts and sustainability of programs. While the majority of programs and hence discussions are based upon developing world contexts, there has been substantial growth in microfinance programs in countries across Europe, in North America, UK and Australia. Microfinance programs in developed countries have traditionally been offered through community organisations and funded by philanthropy, however more recently there is evidence of mainstream financial institutions offering down-scaled products targeted at low-income consumers.

Similar to microfinance in developing countries, most microfinance products offered in developed countries are primarily microcredit. Unfortunately, the need for such products has increased due to greater levels of financial exclusion in developed societies. There are growing proportions of households who have no access to mainstream credit products and are left vulnerable to unscrupulous money lenders when unexpected costs arise. While microcredit is broadly targeted towards the unemployed and low-income households usually for the purchase of white goods or other necessary household items, some programs specifically offer assistance to new arrivals or other minority groups in establishing a small enterprise. Less common are microfinance savings programs. This paper will discuss the development of a matched savings program, Saver Plus and in particular the social impacts on participants.

Saver Plus is a savings program aimed at assisting low income participants to develop a savings habit and achieve a savings goal. The program has been developed and delivered using a partnership model that includes a major Australian bank, ANZ and a number of prominent community organisations. The program consists of matched savings of \$1:1 up to \$1000; financial education; support; and a savings goal of education.

The evaluation of Saver Plus has revealed that in addition to achieving the stated aims of the program – that are, to assist participants in reaching a savings goal and to develop a savings habit, it has also contributed to social capital and increased levels of social inclusion. It is proposed that the design features of the program and the delivery model play an important role in maximising the social benefits received by the participants.

The outline of this paper is as follows: Section 2 will provide the conceptual framework of savings, social capital and social inclusion; Section 3 will give details about Saver Plus; Section 4 will provide an overview of the methodology; Section 5 will discuss the results; Section 6 will provide concluding remarks.

2.0 Savings mobilisation, social capital and social inclusion

Microfinance is the provision of financial services to low-income individuals and households. These services are particularly tailored to meet the needs of certain sectors of the population that are excluded or marginalised from products and services offered by mainstream financial institutions. Microfinance products include small loans, savings mobilisation, insurance and remittances. While these products inherently provide important financial benefits to low-income individuals, there is an increasing focus on the social impacts that accompany them.

The growing attention to social impacts parallels the shift in the terminology of microcredit to microfinance in recognition of the importance of saving facilities for the underserved markets. The results from the rapid growth of microcredit programs have shown that loans are not always the most appropriate product for all poor households (Muriel, et al., 2007; Vonderlack and Schreiner, 2002). Not all poor people have the skills or the inclination to start a small enterprise (Johnson and Kidder, 1999) and a significant proportion of loans is often used for consumption purposes (Sinha and Matin, 1998; Johnson, 1998) such as paying bills or recurrent expenditure. In these cases, savings would better

serve these purposes. There is evidence from microfinance impact studies that savings have had a more significant impact on poor households in protection against economic shocks than credit products (Chen and Snodgrass, 2001). However, the most prominent underlying myth that slowed the introduction of formal savings facilities for low-income households is that the poor cannot save (CGAP, 1999). This myth has been convincingly debunked by the vast evidence from microfinance programs that demonstrate the poor can and do save (Morduch, 2000; Vonderlack and Schreiner, 2002).

The long history of informal saving services for those excluded from mainstream financial institutions shows that there is widespread demand for saving facilities. The existence of Rotating Savings and Credit Associations (RoSCAs), door-door deposit collectors, annual savings clubs and in-kind storage methods show that low-income and poor households want to save and can save (Vonderlack and Schreiner, 2002). These types of informal saving services however have a number of disadvantages. They are often unsafe, there is limited access to funds for emergencies and they are not anonymous which can often leave women savers in particular vulnerable to domestic violence or pressure from family to give loans or handouts.

Formal savings mechanisms provide greater levels of security, anonymity and access to funds when needed. There is call for a self-sustainability approach in delivering microfinance, including savings mobilisation, to low-income and poor households (Schreiner, 2002). Morduch (2000) warns however, that extreme efforts to ensure profitability of microfinance programs may undermine the social benefits from the program and risks overlooking the very markets that microfinance was originally aimed at. Morduch (2000), emphasises there is room for diversity of programs and deliverers in offering financial products to underserved markets.

The majority of the work on social impacts from microfinance relates to developing world contexts. However, in the UK, North America, Europe and Australia, there is a growing body of work on social capital and social inclusion which provide a valuable backdrop in assessing social impacts of

intervention programs. Financial exclusion and social exclusion are closely linked, although causality is not determined (Chant Link and Associates, 2004). Financial exclusion is caused by a combination of factors including the changes in market strategies by financial institutions that favour higher income, higher yield customers over low-income markets; low levels of saving, lack of assets and security; unemployment or discontinuous work history (Rogaly and Fisher, 1999; Chant Link and Associates, 2004). Another significant factor of financial exclusion is low levels of financial literacy i.e. having adequate knowledge, skills and confidence to make effective financial decisions. Financial illiteracy is caused by rapidly changing technology, increasing complexity of products, and through a cyclical relationship with financial exclusion. To break the cycle of financial exclusion and financial illiteracy, microfinance should ideally address access to appropriate products and also aim to increase levels of financial literacy.

Adding to the toxic mix, social exclusion is also inextricably entwined with financial exclusion. Burchardt, Le Grand and Piachaud, (2002) view social inclusion as having the following dimensions.

- Consumption: including the capacity to buy goods and services, accumulate savings
- Production: participate in the economy and other activities relevant to the society lived in
- Political engagement: contributing to decisions that affect ones life
- Social: belong to a network of family, friends and / or neighbours

Rogaly (1999) similarly discusses social exclusion as being denied the ability to participate fully as a citizen - including economically, politically and socially. Rogaly views economic citizenship as the right to have access to work, have control over one's life, have self-esteem, and have access to financial services and financial literacy. Political citizenship is seen broadly as the ability to influence processes and decisions that affect one's daily life. Social citizenship is a feeling of belonging and having 'the capacity to accumulate social assets in the form of helpful contacts, relations and networks' (p.9).

There has been significant growth in the work on social capital and how it contributes towards a greater understanding of development and society (Coleman, 1988; Portes, 1998; Woolcock, 1998; Woolcock, 2001; see also the World Bank website, 2009) and its relevance to microfinance (Ito, 2003; Grooetaert, 1997; Serageldin and Grooetaert, 2000; Karlan, 2005). The concept of social capital has also proved valuable in bringing to the fore the contribution of community organisations and community programs in addressing marginalisation and social exclusion within a community. (Lyons, 2000; Hampshire and Healy, 2000). Healy, Hampshire and Ayres (2004) also recognise that non-local government organisations and businesses have the capacity to increase social capital within a local community.

A wide range of definitions of social capital have emerged over the last decade that represent a cross-section of disciplines but they all broadly include the concepts of trust, reciprocity and community engagement (Putnam, et al., 1993; Putnam, 2000). Although there is the view that trust and reciprocity are outcomes or consequences of social capital and definitions should focus on what social capital is, rather than the outputs (Woolcock, 2000; Edwards and Foley, 1997). Woolcock (2000, p. 8) prefers the definition that seems to have the most consensus and that draws on robust empirical research: 'social capital refers to the norms and networks that facilitate collective action.' This closely resembles that of the World Bank's definition which describes social capital as 'the norms and social relations embedded in the social structures of societies that enable people to coordinate action to achieve desired goals' (2009). Coleman (1988) suggests that these social structures embedded in social capital can be vertical and / or horizontal and more attention needs to be given to understanding the relationship or structure rather than just the individual elements or actors.

Horizontal structures refer to those relationships developed between participants within a program. In the case of the Grameen Bank model, it refers to the social structures present between the group lenders. Horizontal structures are also prominent in the operation of Rotating Savings and Credit

Associations (ROSCAs) (Putnam et al., 1993). It can also represent 'an informal framework for sharing information' (Serageldin and Grootaert, 2000, p.47), support and friendship that develops within groups of people striving to reach a common goal. These structures can be important factors in successfully achieving goals.

Vertical structures, in the case of microfinance programs refer to the lender – borrower relationship (Ito, 2003) or it could be the program deliverer or community worker that facilitates the microfinance program and who develops a relationship with the participants. Ito (2003) has proposed that vertical structures within social capital are just as important if not more so in the success of microfinance programs. That is, the relationship that develops between the delivering organisation and the microfinance participant encourages the participant to, in the case of microcredit, pay back the loan, but in the case of a savings program – achieve their savings goal.

In tying social capital into social and financial exclusion, Woolcock (2001, p. 16) provides a valuable insight:

'.. a social capital perspective recognises that exclusion from economic and political institutions is created and maintained by powerful vested interests, but that marginalized groups themselves possess unique social resources that can be used as a basis for overcoming that exclusion, and as a mechanism for helping forge access to these institutions.'

These concepts are relevant in the case of Saver Plus as the success of the program hinges on partnerships across institutions and sectors – partnerships that nurture trust, reciprocity and community engagement, not only in the participants but across the organisations. The concept and successful implementation of the program hinged on the strength of the social capital of the actors – the relationships (structures) that enabled ANZ and the community organisations to co-ordinate action and achieve a desired goal. Vertical and horizontal social structures are strengthened between deliverer and participant and between participants themselves.

The complexity and wicked nature of the problems linked to social and financial exclusion have not been easily dealt with using traditional economic or social frameworks (Ostrom and Ahn, 2001). The issues stretch across disciplines and sectors calling for new lenses and new approaches. The problems linked to financial exclusion were metastasising long before the global financial crisis became apparent. In some respects the crisis has drawn overdue attention to issues that were already well-entrenched in low-income populations but masked by the 'good financial conditions' enjoyed by the upper spectrum of wealth holders. It seems that it is only when the wealthier and hence more powerful sectors of society suffer that attention is given to these problems. By employing the strategies inherent in the frameworks of social capital and social inclusion, Saver Plus represents an innovative and effective approach to addressing financial and social exclusion.

3.0 About Saver Plus

Low levels of personal saving have reached critical points in many developed countries. In the US and Australia consumers are spending more than they earn and the savings ratio is near zero. This is exacerbated by alarmingly high levels of personal debt, low levels of financial literacy and an increasingly higher proportion of the population being edged out of the mainstream financial sector. Together these factors create a precarious situation for many segments of the population, especially those on low-income. With little or no safety nets against economic shocks, such as those being experienced globally, the low-income populations are left even more vulnerable to the dire consequences of the financial crisis.

In 2003, ANZ, one of Australia's major financial institutions initiated a national study of financial literacy levels and found those of low-income were one of the major groups that have the lowest levels of financial literacy (ANZ, 2003). This study has been followed by repeated measures in 2005 and 2008 (ANZ, 2005; 2008). Also, low-income households are most likely to have little or no

savings (ABS, 2007a; 2007b) and therefore left without necessary resources to cope with unexpected financial burdens. In response to the findings of the national studies, ANZ in conjunction with the Brotherhood of St Laurence, a prominent community organisation, designed and implemented Saver Plus to assist low-income households to develop a savings habit, achieve a savings goal and increase levels of financial literacy.

Saver Plus was piloted over 2004 and 2005 including 268 participants across three locations in the first year and 408 participants across four locations in the second year. In 2006 Saver Plus was up-scaled to include 20 locations and by 2009 there are 21 sites and nearly 4000 participants enrolled in or who have completed the program.

3.1 Saver Plus Design

The design of Saver Plus comprises four components:

1. Matched savings at a rate of \$1:1 (capped at \$1,000). The participant has to demonstrate regular savings according to a pre-arranged savings goal.
2. Financial education: The participant completes a financial education course of approximately 10 hours. The classes are delivered either weekly or bi-weekly and are delivered in a workshop style, relaxed format.
3. Support: the facilitator provides on-going support to the participant when required and is available for consultation if the participant is facing difficulties in their saving efforts.
4. Participants save for education costs for themselves or their children

Upon enrolling, participants discuss with the community worker a savings goal that is achievable and together they work out a regular saving deposit that will enable them to meet their goal. Most participants strive to save \$1000 which is the maximum matched amount. Participants are given the option of saving

over a period of 10 to 18 months. The most common period chosen is 12 months.

3.2 The delivery model

Saver Plus is delivered through a partnership model. ANZ has partnered with four community organisations to deliver the program across 20 locations over four Australian states. As discussed later in the paper, the partnership model employed has shown to be a key success factor of the program. Each site has a facilitator that markets the program in the local community, screens potential participants, enrolls participants, delivers the financial education and provides on-going support to the participants throughout the program.

In 2006 – 2009 the Victorian State Government became a partner and contributed significant resources in delivering Saver Plus across six Victorian locations. The State Government believes Saver Plus to be an important initiative to better promote social inclusion (DPCD, 2008).

For the Saver Plus partners, the program has become an important vehicle for building relationships with schools, local councils and other organisations within their communities. The program has also provided the opportunity to attract new clients and allowed participants in the program to become aware of other services and assistance.

4.0 Evaluation Methodology

Evaluation has been built in to the program from its inception. The evaluation incorporates a mix of qualitative and quantitative techniques and incorporates the following steps:

1. A questionnaire is completed by participants upon enrolment capturing baseline data on prior saving behaviour, demographics and money management behaviour.

2. Prior to undertaking the financial literacy education, the participants complete a second questionnaire capturing levels of financial knowledge and money management skills.
3. At completion of the program, participants complete a third questionnaire which provides data on success levels, satisfaction with the program, modified money management knowledge and skills and any changes in financial circumstances that may have occurred during the program.
4. Discussion groups are held with randomly chosen participants approximately three months after they have finished the program. The aim of the focus groups is to explore the experiences of the participants within the program and other effects that participation has had on them and their families.
5. Follow-up surveys have been conducted with participants who have completed the program 12 months and 24 months prior. These surveys aimed to assess saving behaviour of participants post-program.

Most of the results presented in this paper are derived from the qualitative data collected during the evaluation. Discussion groups have been conducted regularly throughout the program delivery time period and across the locations. To date, 33 focus groups have been held including 254 participants. A semi-structured instrument is used to explore the participants' experiences in the program. The following topics are discussed with the participants.

1. Motivation to enrol in the program
2. Saving and general money management behaviour prior to the program
3. Attitudes towards saving
4. Techniques that facilitated saving / barriers to saving
5. The impact of the program on the participant and their family
6. Opinions on the education program
7. Financial knowledge and skills needed post-program
8. Future goals

The discussions are recorded and transcribed then analysed using NVivo software.

5.0 Results

5.1 *The Participants*

Participants in Saver Plus are relatively homogeneous due to the rather tight eligibility criteria. Eligible participants are 18 years or over; are willing to save for education costs for themselves or their children; possess an Australian Centrelink Health Care Card or Pension Card (test of low-income); and have regular paid employment.

As in many microfinance programs, the majority of participants are female (88%), sole parents (58%), approximately aged 38 years and have 2.1 children with an average age of 10. The education levels are fairly evenly split with 26% of participants having obtained a technical college qualification, 23% having completed high school and 21% having completed year 10. The average equivalised income is AUD\$377 per week (Russell, et al., 2008).

Most of the participants joined the program in order to obtain the matched funds (70%). However at the completion of the program when asked what the three major benefits of the program were, the proportion of participants who nominated 'getting the matched funds' fell to 43%. Conversely, at the beginning of the program, only 12% of participants indicated that 'learning how to save' was the main motivation for joining the program and by the end of the program 40% of participants said 'developing a savings habit' was one of the primary benefits from the program. Nearly all participants (99.1%) reported a positive experience while on the Saver Plus program.

Following are some examples of the qualitative statements participants gave about their experience in the program.

‘Although my initial reason for joining was to achieve matched funds, in doing the Saver Plus program I learnt how to save – something I hadn’t previously been able to do and now something I hope to be able to continue.’

‘Initially the opportunity to receive matched funds motivated me, however, since attending the workshops and watching my savings grow, learning to save is more important and satisfying – something I would not have achieved without Saver Plus.’

‘Matched funds were great but to receive financial education was fantastic and even better.’

‘It has taught me about ways to save and also about the risks of credit cards and loans.’

5.2 Financial impacts

Both pilot periods and the interim evaluation of the current phase of Saver Plus have demonstrated high success rates. Approximately 96% of participants who complete the program achieve or save more than their goal. More importantly, the follow-up surveys show even after 12, 24 and 36 months, 70% of participants are still saving regularly (Russell et. al., 2008). Also, 36% of past participants reported an increased level of savings in the previous 12 months. Approximately half of the participants who are still saving are saving for education costs post-program and nearly a third of past participants report a decrease in overall debt. There were 13% of past participants who reported an increased use of bank accounts and nearly 15% report greater levels of saving for retirement (Russell, et al., 2008).

Further analysis of the pilot program data using a dynamic panel model, has shown that the factors most important in encouraging saving behaviour are goal setting and the financial literacy education (Fry, Mihajilo, Russell and Brooks, 2008). Also, the analysis found that the program was able to modify the saving behaviour of the participants to the point where their prior saving behaviour and inherent attitude towards saving no longer played a significant role (Fry, et al., 2008).

Participants also report that their money management behaviour has generally improved. There is increased use of budgeting, planning ahead, reduced spending leaks, more appropriate choices made in banking products and also reduction in credit card debt.

5.3 Social impacts

Over the last five years, a range of social impacts have been consistently reported by participants. Focus groups have played an important role in firstly identifying the range of impacts and secondly in confirming their existence across time and locations. While individual participant experiences differ in the extent of the impacts, consistent themes have emerged. Participants have reportedly experienced the following impacts.

- increased self-esteem and confidence
- reduced stress
- increased positive education experiences
- greater propensity to plan for the future
- feelings of greater control over their lives
- positive intergenerational effects.
- Increased social networks

Increased self-esteem and confidence

The majority of the participants in Saver Plus are sole parents and are often the sole supporters of the family. Female participants in the focus groups tell how their confidence in financial matters was low when their relationship broke down. Many had never had the responsibility of managing the household finances. For these participants, the most significant benefit from undertaking Saver Plus was increased self-esteem and confidence.

The increased self-esteem and confidence grew from two primary sources: Firstly, for many of the participants, this was the first time they had achieved a goal of any sort. Reaching their savings target and in many cases exceeding it, gave the participants an enormous sense of achievement and pride. Some participants had never had a savings balance that ventured into the triple digits let alone \$1000.

Secondly, the participants gained confidence through the education provided within the program. Having increased knowledge about bank products, fees and charges, understanding the characteristics of various products gave the participants confidence to ask their local bank staff questions about their individual circumstances and ensure they were receiving the appropriate products and services. Some participants, armed with their newfound knowledge, were able to confidently contact utility and telecommunication companies to ask about concessions they may be qualified for or to demand a 'better deal'. In doing so and in many cases enjoying success, confidence levels grew further. For some participants, they felt proud in having the confidence to say 'no' to door-to-door salespeople when feeling pressured to purchase products they could not afford or did not really want.

More commonly however, participants, many of whom are parents, developed the confidence to say 'no' to their children's demands when shopping. Parents of low-income often feel the need to over-compensate with their children and find themselves in debt just to make sure their child does not miss out on having products that other children have. Participants found confidence in knowing that in denying momentary whims they were able to provide better quality lives for their children in the long term.

"It [Saver Plus] gave me back my confidence with money matters. I started to see that I could 'get ahead' even as a single parent on a low income."

"Saver Plus has given me a sense of achievement, security and purpose."

Reduced stress

Another significant benefit reported by Saver Plus participants was reduced stress levels. Most participants lived week to week often skimping and barely getting through to the next pay day. By establishing a savings account and having the funds to pay for their child's education, participants' stress levels have been reduced. The commencement of each school year is commonly fraught with stress for parents with the expense of books, uniforms, and school fees causing enormous strain and often taking the rest of the year to recover from. As a result, parents can often only pay for the bare minimum required by the school and the child misses out on the added but important extras such as orientation school camps or cultural activities and sporting activities.

Parents are encouraged to save for education costs and this allows them to have the necessary expenses covered for the start of a new school year. In addition, it also allows parents to afford extra-curricular activities for their children to enhance their education experience. School camps, excursions, musical instruments, sporting expenses, computer and technology equipment are all common saving goals.

The participants report being extremely relieved when the new school year commenced and for the first time all expenses were covered without the usual stress and worry. They also reported their children were much happier as many for the first time had 'new' uniforms rather than second hand ones.

'Christmas, January and February used to be particularly stressful for me. I used to fret about the costs of school books and fees. Now I am organised. I have no concern about having the money to buy books in December, then fees in January – because the money is already there.'

'Knowing that school costs for the year are covered makes life less stressful.'

'As a single parent, Saver Plus helped take the pressure off me by taking care of two years of high school fees for my two eldest children.'

'Great relief of pressure for the first two years my daughter was in year 7-8. We are continuing to save towards our other children's costs.'

Many participants have for the first time established a financial buffer for unexpected expenses. This reduced stress on the family and participants have expressed that their overall mental health has improved.

'Being given the opportunity and incentive to start a regular savings plan has given our family peace of mind and the financial capacity to meet any unforeseen money debts'

Impact on family and intergenerational benefits

The third most commonly reported impact is on the family. Many participants have involved their children in the saving efforts and informed them about the program, what they are learning and what they are saving towards. Participants report that their children help by reminding them of 'needs vs wants' when they are shopping and opting to go without a treat in order to maintain their savings. Some parents, who can afford to, have set up a similar matched saving incentive with their children. Participants have been surprised and pleased about their children adopting saving habits and working towards goals of their own.

Participants have reported that their children have enjoyed school more due to having a computer at home to help with their homework and not having to wait at the local library or in the school lab to use the computer. The children are producing better quality of school work and gaining expertise in software applications, nurturing skills such as photography, graphic design and also general research skills.

'The effects on my daughter have been manifold. I now do a savings program with her teaching her to manage her \$20 per week pocket money. She saves \$2 in a bank account for long-term goals and

another \$2 in a piggy bank for short-term goals. This year she saved enough to buy herself an MP3 player. She felt proud of herself. In terms of Saver Plus I am so grateful to have been included because the flute, piano and music books I was able to buy for my daughter with the savings have helped her to become a fine young musician. She plays in the Youth Orchestra and has won awards and Grades of A+. Thank you so much!

'More funds in the household allow children to have access to more sophisticated computer software to assist with schoolwork / projects. Child's grades have increased significantly. Can complete work tasks at leisure rather than during school / library hours for computer access. My child enjoys and participates more at school. Now staying on to Year 12 and considering university as an option. Child has more time / more motivated and is able to also handle a part-time job.'

'My children have been able to focus on school projects, go on camps etc. It has allowed them to participate more.'

'My children have great pleasure saving their money – one has a Saver Plus account like mine.'

'My son has been able to go on two overseas school trips that we would not have been able to even consider before. It has been a great life lesson for him and he continues to be a careful saver.'

'My kids used to panic about whether or not they would get into their subjects as the fees were due in December and would lose their spot if not paid. Now they just remind me of the date but they know the money is already there to be paid.'

'I have tried to be more honest with my sons in relation to money so that they have a healthy attitude to money and the responsibility of financial issues, decisions about where the money could go e.g. movies vs take away? Essentials vs luxuries?'

Planning for the future

The participants often comment that since participating in Saver Plus they feel they have greater control over their lives and their future. Short-term planning is characteristic of low-income populations with many living from pay day to pay day. Financial difficulty occurs when unexpected or other expenses arise

outside of the weekly or bi-weekly planning cycle. This short-term perspective tends to spill over into other areas of their lives and many do not have life goals in their horizon, so intent are they on managing day to day. Participants living in such precarious financial positions live with a great deal of uncertainty rather than with a healthy anticipation of the future. For many participants regaining control of their lives and considering longer-term plans has been a valuable benefit from the program.

‘My family now feels that we are able to achieve our goals and to look forward to the future instead of feeling left behind.’

‘It was a life changing experience - doing the Saver Plus program. I now do so many things that I learnt with this program. My family are happier and we even saved and had a little holiday – FANTASTIC!’

‘Less stress, planning ahead and it only took a small amount of money to start saving. I see a bright future for me.’

‘Participating in Saver Plus has helped to ‘ground’ me. Previously handling money was not at all organised, now I feel like I have a lot more control. I am lot less anxious.’

‘I have a positive attitude now and I feel good about my life.’

‘Saver Plus gave me the opportunity to set goals and see my goals come to life.’

‘I learned a lot about saving and now I am taking my kids to Queensland next year for a holiday. I now know how to plan and accomplish my goals.’

Increased social networks

The financial education workshops provided an opportunity for the participants to increase social networks thus increasing social capital. Upon enrolling in Saver Plus, the participants were not overly enthusiastic to do the financial education component. Many thought it would be a hassle or boring, and some felt a little nervous about their ability to participate in education. However, to their surprise, the majority of participants found the classes to be the most enjoyable aspect of the program. While the content and learning new money

management tools provided significant benefit, to most it was the social component that provided long-lasting benefits.

Participants found it comforting and reassuring to meet others in similar situations – many often felt they were the only ones struggling to make ends meet. Being with others reduced feelings of isolation and inadequacy. In addition, the participants learned a lot from each other. The groups shared tips and money saving strategies and together built a storehouse of local knowledge and information. This illustrates the concept that *all* people have social and human resources that are of great value and if tapped into through appropriate mechanisms, can help strengthen the horizontal structures within the community (Woolcock, 2001).

The community workers who facilitate the education classes were surprised and happy to witness the depth and the extent of the social bonding in the classes. Below are some comments from the program managers (ANZ, 2008):

‘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’

‘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 saving skills’

These examples are only a sample of the reported impacts of the program. Together, the increased levels of confidence, self-esteem and control over

their lives have created powerful social impacts on the participants in addition to the financial benefits.

5.4 Key Success Factors

Cross-sector partnerships

The design and delivery of Saver Plus incorporates a cross-sector partnership as a key feature. Partnerships between sectors are gaining prominence as an effective means to address complex social issues associated with social and financial exclusion. Traditionally, social problems have been addressed solely through the efforts of welfare organisations with perhaps funding being sourced by corporates and / or government. This approach has brought limited results. Concepts such as cross-sector partnerships and joined-up government are gaining traction in policy literature and practice as alternative frameworks in addressing social issues. The realisation has been reached that social problems and their wider impacts are not neatly contained within portfolios or sectors and it is in the best interests of all to work collaboratively.

Together, ANZ and the Brotherhood of St Laurence developed and implemented Saver Plus. Neither organisation could have achieved alone the levels of success the program has enjoyed to date. Partnership models 'recognise that different sectors have access to different resources and channels of power' (Packer, et al., 2002, p. 317). In this case, the implementation of Saver Plus required the financial expertise and resources available to ANZ however, the program also required the knowledge of and access to the low-income markets provided by the Brotherhood of St Laurence. The delivery model which included additional partnerships with Berry Street Victoria, the Benevolent Society and The Smith Family further strengthened the program. Each of these organisations has enabled the program to reach wider and more diverse markets. Within communities, organisations such as these are seen as symbols of integrity and

trustworthiness so for many participants it was the reputation of the community organisation that encouraged them to enrol in the program.

Saver Plus has enjoyed the many benefits derived from the partnership model. Networking is a major benefit of partnerships (Packer, et al., 2002; Gilcrest, 1998) and is a core element of building social inclusion and social capital. Saver Plus is a place-based program (DPCD, 2008) and in each community where it is delivered, the project worker builds relationships through networking with local schools, councils, bank branches, other community organisations in order to market the program to potential participants. This is crucial to the success of the program and in turn is a key success factor. 'A well-connected society can leverage individuals and local communities towards higher aspirations and better outcomes through reciprocity, trust, cooperation and mutuality of support' (Althaus, et al., 2007, p. 113).

The whole is greater than the sum of its parts

The multi-component design of the program is important to the success of the program, especially in promoting the social impacts and building social capital. Each element on its own has value, but together they create results that are more than their sum. It is true that the incentive of the matched savings is the major attractor – it serves as the hook for the program participants. However, the support, the educational workshops and the saving for education costs create a multitude of benefits that are at the same time unique for each individual's circumstance but also widespread throughout the program.

Also, the period of time the participants are engaged in the program helps to solidify and build the social and financial benefits. The time spent in the program from enrolment to 'graduation' is approximately 12 months. This gives the time needed to build the horizontal and vertical structures important to the development of social capital. During this time participants have:

support when needed, the opportunity to implement and sustain learning by doing, the time to see their confidence grow and spill into other areas of their lives; the opportunity to build trust with the organisations involved and with others in the education workshops and reap the benefits of their own or their children's education experience.

6.0 Conclusion

The results of Saver Plus have shown that the program has facilitated greater levels of social inclusion and social capital. Participants have accumulated savings and have been able to buy goods and services related to education. Many participants have increased levels of employment – some purposefully sought employment in order to be eligible for the program, while others, due to increased confidence and skills gained through education have been promoted within their organisation or have strived for better paying jobs. There is also evidence that there is an increased level of community involvement.

The program has also provided opportunity for the participants to strengthen networks (horizontal social structures) with other participants and this aspect was found to be extremely valuable to the participants. The financial literacy workshops, delivered over a number of weeks provided one of the most enjoyable benefits to the participants. By meeting others that shared similar life experiences and who were facing similar struggles, the participants expressed that it helped them feel 'included' and less isolated. The support provided by the project worker was important in building 'vertical' social structures between the organisation and the participant and helped provide motivation to reach their savings goal.

The program illustrates that it is the combination of design elements, the relationships between the actors (organisations) and the community that is important in producing successful outcomes. It also shows the complex relationship between financial and social exclusion and how an holistically

designed microfinance program that embraces the concepts of social capital and social inclusion has the ability to reach across and treat a range of financial and social issues.

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