

News Release

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Education reduces reliance on payday lenders

The number of students who used payday lenders halved after completing a financial education course, according to ANZ's latest MoneyMinded impact report.

Together with the Solomon Group, ANZ has been delivering MoneyMinded, a financial literacy programme for adults, in New Zealand since 2012.

As well as teaching people how to spend and save, MoneyMinded includes education on the risks associated with taking out payday loans. Following the course, there was a significant reduction in the number of people who used payday lenders – 46% had used one in the 12 months before MoneyMinded compared to 23% six to 12 months after.

The 2019 MoneyMinded report measured the programme's impact on participants' financial wellbeing. The report revealed the programme has a significant impact, with the average participant's financial wellbeing score improving from 28/100 before MoneyMinded (struggling) to 65/100 (doing OK) six months after completing the course.

This is above the national average of 59/100, a number originally measured in [ANZ's 2018 financial wellbeing report](#) using Kempson, Finney, and Poppe's (2017) financial wellbeing scale.

Jozica Kutin, researcher at Royal Melbourne Institute of Technology (RMIT) University's School of Economics, Finance and Marketing in Melbourne, has been involved in the MoneyMinded research and said it confirmed earlier findings that two key behaviours were critical to feeling good about personal finances: not borrowing for everyday expenses and having savings.¹

"Actively saving is one of the most effective ways to build financial wellbeing. Before MoneyMinded 63% of survey respondents said they couldn't save, after completing the programme this fell to 4%," Ms Kutin said.

More than 700 Kiwis completed the MoneyMinded course in 2018, and almost 700,000 people have taken part in a MoneyMinded course across the Asia-Pacific region since 2002.

MoneyMinded Senior Tutor Singa Falanitule said most students wanted to be good with their money but didn't always know how or where to start.

"MoneyMinded's concept of 'paying yourself first' to meet financial commitments is really helpful for our students," Ms Falanitule said.

"Creating good habits, like putting money in special money jars or accounts isn't as hard as we think, but it's a practical first step to meeting financial goals and reducing reliance on payday lenders."

¹ Findings from the ANZ financial wellbeing in New Zealand report, 2018.
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ANZ Acting Managing Director Retail and Business Banking Ben Kelleher said the report reinforced the power of the programme and the impact of financial education.

“A key factor in MoneyMinded’s success is partnering with organisations such as the Solomon Group who have long-term relationships with students,” Mr Kelleher said.

“For us, MoneyMinded is as much about helping build thriving communities as it is about helping people manage their money.”

MoneyMinded research

The 2019 MoneyMinded Report is based on findings from a survey developed by RMIT University and included an adaptation of the validated financial wellbeing scale of Kempson et al. (2017). Data was collected from an online survey of 53 MoneyMinded students, two discussion groups with 23 students and an in-depth interview with one student.

Key findings from the 2019 ANZ MoneyMinded report show:

- 94% of participants reported a saving habit compared with 63% who were unable to save before the programme;
- 64% were less stressed about the future;
- 26% said they could now cover an unexpected expense compared with 9% before taking the course;
- 25% had saved at least three months’ income compared with only 2% before MoneyMinded;
- 74% said they could pay bills and other financial commitments before the final notice compared with 15% before the course;
- 68% had money left over after paying for necessities compared with 10% before the course;
- 90% viewed their financial situation positively compared with 8% before the course.

About the ANZ MoneyMinded programme in New Zealand

- MoneyMinded is an adult financial literacy programme that builds knowledge, skills and confidence to help participants manage their money.
- Solomon Group partnered with ANZ in 2012 to deliver the programme in New Zealand.
- Now, five organisations work with ANZ to deliver the programme to community groups across New Zealand.
- Students come from a wide variety of backgrounds, including those looking for employment, older people and sole parents.
- A key factor in the success of the programme is collaborating with organisations such as Solomon Group who have long-term relationships with their clients and where MoneyMinded can be delivered as an embedded part of other courses and services.
- 712 New Zealanders received MoneyMinded education in 2018. Almost 700,000 people have taken part in a MoneyMinded course across the Asia-Pacific region since 2002.
- The MoneyMinded course comprises four 2.5-hour workshops on budgeting, everyday banking, saving and spending, and planning for the future.

For media enquiries contact Siobhan Enright, 021 991 325