



Community Information & Support Victoria | Advocacy
Support
Research

Submission to 2014-2016 National Financial Literacy Strategy

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Capacity to respond

Community Information & Support Victoria (CISVic) is the peak body representing local community information and support services representing 60 community-based, not-for-profit agencies, staffed by over 250 paid staff and in excess of 2,500 volunteers.

Our local services assist people experiencing personal and financial difficulties by providing information, referral and support services including Emergency Relief, financial counselling and financial literacy. Our agencies provide free services to an average of 300,000 people every year.

We direct people who need help to local centres for services.

Helping those most in need Our main work is with the vulnerable and disadvantaged, including those on welfare payments, single parents, newly arrived, refugees, those with mental health issues, drug and alcohol issues and those experiencing family violence and family breakdown.

Emergency relief Many of our agencies can provide emergency relief, both financial and practical, by providing food, food vouchers, travel cards, petrol vouchers, assistance with household bills, rent, pharmaceutical supplies and telephone bills.

One voice for many We liaise with all tiers of government and other peak bodies, conduct training and undertake sound, evidence-based research. We are grateful to the State and Federal Governments for their funding support for core and special projects. We also have increasingly strengthening contact and cooperation with a range of peer organisations.

This is a vital interface for not just CISVic and its members but also for the community support sector as a whole, exploring more effective use of resources, skills and funding conduits. This has included partnerships to deliver important training to volunteers and community workers.

We also sit on a number of state & federal government groups including a State Ministerial Advisory Council and Federal Consultative Committee and other relevant peak body advisory groups, including VCOSS (Victorian Council of Social Services), the ultimate state community peak body.

We value partnerships and collaboration

An ability to positively interface with the political and bureaucratic levels of government is essential to us remaining an effective conduit between those in need and policy forums.

CISVic and its members are committed to volunteering and offer a range of opportunities for people to work with us.

And we seek and arrange funding from philanthropic organisations and private donors.

Submission

This submission does not respond to all the items in the consultation paper.

The CISVic membership service model is placed-based and holistic in working with its communities and clients. The provision of supported services by CISVic member agencies is primarily directed at vulnerable and disadvantaged families and individuals who fall through service gaps. The CISVic submission illuminates experiences of community based generalist services that provide financial literacy measures and programs that seek to meet the needs of vulnerable and disadvantaged Victorians.

1. Defining financial literacy

We agree with the proposed adoption of the definition of financial literacy:

Financial literacy is a combination of financial awareness, knowledge, skills, attitudes and behaviours necessary to make sound financial decisions and ultimately achieve individual wellbeing.

Income sufficiency and the availability of suitable financial products at an affordable price are the major causes for clients seeking support within emergency relief services. For vulnerable and disadvantaged groups, financial literacy addresses not only the underlying causes of financial crisis that bring clients to our services, but seek also to initiate a process of supported behaviour and attitude changes that lead to longer term financial stability and ultimately, wellbeing.

2. Related issues or policies

The Financial Management Program (FMP) run by the Department of Families, Housing, Community Services and Indigenous Affairs (FaHCSIA) supports Australians vulnerable to financial stress and crisis, working with government agencies and the community and welfare sector to deliver a range of free and confidential services, many of which are CISVic member agencies. Collectively, CISVic member agencies are the third largest provider of emergency relief services in the state. As generalist services providing a range of free, confidential and supported services, community based services such as these are ideally placed to promote greater integration between FaHCSIA's FMP programs: microfinance, financial counselling and emergency relief services.

Financial Literacy is a crucial preventative measure for those living on low income, experiencing sudden changed circumstances, and those with complex needs. The demand for relief from financial crisis is currently exceeding service capacity to respond. Some of the welfare and social policy impacts on the sector, such as moving single parents from parenting payment to Newstart Allowance, the low rate of benefits under Newstart Allowance, moving asylum seekers into the community, the ongoing impact of the global financial crisis (including manufacturing plant closures, terms of trade decline, higher household debts and living expenses) are driving the demand not only for immediate financial relief, but also for measures that assist families and individuals to manage debt and expenses on contracting incomes. For the financially excluded, the path to financial and social inclusion and wellbeing is a long, arduous one. The provision of band-aid measures will simply entrench people into longer-term dependency and further exclusion. Financial literacy for the vulnerable and disadvantaged

require higher levels of support and assistance, and focus not only on up-to-date knowledge and information about financial products, but also on changed habits and behaviour (particularly for those experiencing sudden financial and lifestyle changes). Still, there are limitations on the capacity for financial literacy to increase wellbeing. Ultimately too, social and welfare policies need to acknowledge the impact of inadequacy of income on the most vulnerable in our society.¹

We welcome the changes to the financial counselling sector, and the focus on professionalization but also acknowledge that there needs to be greater alignment between state and federal funding streams to enhance consistency and continuity of service delivery models.

3. Strategic goals and areas of focus, and key actions related to these

CISVic identifies the following segments of the community as requiring more priority in the 2014-2016 Strategy:

- Economically disadvantaged (those living on inadequate income, financially excluded, those with complex needs)
- People from culturally and linguistically diverse background, including asylum seekers living in the community
- Aboriginal Australians

In relation to these vulnerable groups, the three areas of focus to frame action under the 2014-2016 NFLS are identified as:

1. Programs with greater levels of assistance to vulnerable people: One-on-one mentoring and support to vulnerable and disadvantaged people

As outlined in the background paper, research shows that financial education can be more effective when targeted at 'learning moments', and that such learning opportunities should be acted on soon. The experience of CISVic client groups is that learning moments are most poignant when vulnerable people present for emergency assistance – whether this is a moment of sudden financial crisis, or one in a series of crisis over a prolonged period of time. These are also moments of greatest opportunity to initiate long-term behaviour change. Vulnerable groups face a myriad of systemic and social barriers to access to information and education programs. Part of tailoring financial literacy to complex needs clients and vulnerable groups is to acknowledge that long-term behaviour change requires ongoing support that focuses on empowerment, systems and knowledge navigation and accessibility.

¹ As reported in the most recent HILDA Survey results, rates of poverty of children living with one parent is much higher (24.5%) than those living with both parents (7.6%). The Report also found that people in heavily welfare-reliant households are more likely than not to be in income poverty, compared to those receiving income support payments that represent less than 50% of household income. Wilkins, R 2013, 'Relative income poverty' in Wilkins, R (ed.) *Families, Incomes and Jobs, Volume 8: A Statistical Report on Waves 1 to 10 of the Household, Income and Labour Dynamics in Australia Survey*, Melbourne Institute of Applied Economic and Social Research: The University of Melbourne, http://www.melbourneinstitute.com/downloads/hilda/Stat_Report/statreport-v8-2013.pdf accessed 12 June 2013. Elsewhere, the researcher speculated that "One would have to suspect that the welfare reforms in 2006 have played a role....[T]hose reforms shifted a number of single parents onto the unemployment benefit, the Newstart Allowance, which has a lower rate of benefit and perhaps more importantly has a tougher income test." Associate Professor Roger Wilkins quoted in <http://www.abc.net.au/news/2013-06-12/more-single-parent-households-living-in-poverty-hilda-survey/4747710> accessed 14 June 2013.

For vulnerable groups, intervention *and* interaction is best capitalised through an ongoing one-on-one mentoring and supported series of interactions. Our member agencies provide supported assistance through short-term (3 to 6 months) casework support for complex needs clients. Ongoing short-term support and assistance is also provided by trained volunteers who provide advocacy, information and budgeting advice and support to clients in financial difficulties. Utilising existing information and tools (Money Smart, Money Help) and programs (NILS, SaverPlus) workers build client capacity to understand information and tools when they need it (by helping make the information relevant to client circumstance and needs) and facilitating greater access to programs and products (by assisting clients with meeting eligibility criteria for microfinance loans by working with clients to meet other pressing needs). The process is underpinned by ongoing support to initiate, monitor and encourage behaviour and attitude change.

Case study: Knox Financial Resource Network

The Knox Financial Resource Network (KFRN) is a network for staff and volunteers of community agencies in the LGA of Knox involved in the delivery of services to help vulnerable people address and gain stability in their financial circumstances. The network present opportunities for linkage and networking to enhance referral pathways for better outcomes for clients. It also ensures members are kept up to date with current developments in local services, the sector and their impact on practice. On a practice level, the network is a forum to reflect on trends and case studies to build knowledge of issues impacting on personal money management and to share strategies for addressing client needs in a given scenario, thus enhancing opportunities for shared training for staff and volunteers. Finally, the network promotes and supports a collaborative approach to identifying and delivering community education to vulnerable client groups. This combination of practice, resource and policy development support enables services in the whole of the Knox LGA to deliver better and more efficient outcomes for vulnerable, financially excluded clients.

Key actions include:

- Promote the expansion of one-on-one support and mentoring programs (such as casework or other support work) that target vulnerable groups
- Supporting and resourcing generalist, community based agencies' capacity to provide targeted financial literacy and information to vulnerable groups, by building staff and volunteer capacity through training and network support

2. Facilitation of partnership and cooperation between and within sectors

The range of microfinance programs, financial information tools and private services is welcome but also adds complexity to the landscape. The current landscape as it relates to vulnerable people consists of the suite of FaHCSIA's FMP programs of microfinance, financial counselling and emergency

relief. In recent years, the growth of microfinance and other programs that target support at the financially excluded and disadvantaged have not been accompanied by focused coordination across sectors. Although there is increasing cooperation and collaboration between service providers, such as through the Good Money Hub, one of the gaps we identify is that the hub does not promote the whole gamut of products, but rather those associated with its providers. Thus although programs and services are broadly available, there exists barriers to access due to the nascent state of service integration across program areas, geographic isolation (rural remote locations, lack of public transport in growth corridors, telecommunications) or reach (due to service boundaries or inability to meet demand).

Our services and inter-professional networks are strong at the local level, but lacks coordination and resourcing at the regional and state levels. Greater integration of these services through a forum such as Financial Resources Network at a regional level that allows services providers, practitioners and client groups to stay informed and have access to the most up-to-date financial literacy information and tools, regulatory environment and resources would be of great benefit to the sector.

Case study: Smart Living

The Smart Living Program is a financial literacy and support program offered at the Uniting Care East Burwood Centre (UCEBC). EBC recognises that ‘teachable moments’ occur when clients attend the service for support and assistance. Often, referral to services and courses outside the organisation reduces the likelihood of client engagement. The Smart Living Program ensures that client are supported in times of extreme financial stress and, through a combination of education, practical and financial assistance prevent clients from falling into long-term welfare dependency.²

Clients are referred to the program from emergency relief service, vulnerable groups program or NILS programs, all of which are located on site. Short-term intensive support is provided to clients in money management, which includes budgeting advice, advocacy to utilities and other providers to ensure the client is on the most appropriate and cost effective plan, and financial education through a combination of information provision, role-modelling and client-centred empowerment strategies.

The Smart Living Program is staffed by volunteers and a paid staff member, all of whom received Money Minded training in the Facilitators’ Course.

The Smart Living Program also flags potential willing clients to participate in Money Minded Workshops to be delivered by volunteers and/or staff.

² The experience of the community information and support sector is that when clients are provided with the right information and support during major life changing events, they generally regain and rebuild resilience and are able to move on from their crisis. The HILDA report documents that for most major life events, effects on life satisfaction are no longer present one year after they occur, with clear exceptions being separation from partner, serious injury or illness and a major worsening of finances, all of which have negative effects on life satisfaction. Kecmanovic, M & Wilkins, R 2013 ‘Life satisfaction and satisfaction with specific aspects of life’ in Wilkins R. (ed.)

Key actions include:

- Support, promote and adequately resource the work of peaks as facilitators of communication, information sharing and research and evaluation of financial literacy programs and measures
- Support the development and expansion of financial resource networks to facilitate and enhance service and program integration, share information and resource the community sector around financial literacy
- Support, resource and promote cross-sector and inter-professional collaboration of services to vulnerable families and individuals

3. Expanding access to trusted information and tools where and when people need it the most

Vulnerable people face additional barriers to access to information as a result of poverty, language, financial and digital exclusion, geographic and social isolation and disability. These barriers impact on their ability to engage with web-based material and other information and material that are not tailored to their needs. Additionally, people experiencing financial crisis often present with other needs and issues impacting on their circumstances. The complexity of needs (usually the interplay of health, mental health, disability, domestic violence, housing) coupled with low levels of financial literacy compound their capacity to navigate and engage with the system. Presently, there is a host of microfinance products aimed at building financial capability and inclusion of low income and the financially excluded. Access to these programs depends on clients meeting eligibility criteria, which may be difficult to meet in circumstances of deprivation and hardship. Relevant, personalised information that is digestible and easily accessible is a crucial part of the information and support component of financial literacy. Consideration be made to modifying existing trusted information and tools to meet circumstances and needs of non-mainstream people – such as vulnerable groups (for example, Money Minded is pitched a little too high for vulnerable clients; Money Smart website and app are not sufficiently flexible to cater to non mainstream client groups – the budget program is not practical for a family budget or two incomes because the expense section can not be separated)

Generalist, community information agencies such as those in the CISVic membership have a role in filling the gap between information provision and client engagement with services and tools by providing tailored financial information and support.

Case study: Stay on Track – Financial Literacy and Support Program

Casey North Community Information & Support Service (CISS) provides information and support programs to residents of the City of Casey. Casey is the fastest growing municipality in Victoria with a percentage of young families. Developed as a preventative program, the Stay on Track financial literacy and support program provides tailored community education to disadvantaged groups in the City of Casey. The program builds disadvantaged people's capacity to overcome and/or avoid situations of financial distress. It includes a broad range of strategies and measures that include: budgeting; systems navigation; self-advocacy skills; money management tips and ideas. Built on a community education money, workshops are delivered to established community groups or networks, focusing on interactive and tailored engagement to meet a range of learning needs and styles. The program also provides individual support as a tool for early intervention for those experiencing financial distress or difficulties.

Ongoing engagement with community groups are maintained through the use of social media, in particular twitter and facebook. Casey North CISS has a page on its website dedicated to debt management from which up to date information, practical advice and website links can be accessed by the public.

A challenge for this program has been to keep information updated, which in a fast changing policy and regulatory environment, requires a dedicated staff member with necessary skills to monitor, digest and communicate to vulnerable people across a wide range of medium: one-on-one; workshops; social media; online. Although social media enables fast and accurate delivery of information, it is not accessible to all groups.

Key actions include:

- Promote the development and delivery of relevant, tailored and personalised information to vulnerable groups and communities
- Promote and adequately resource the roles of community educators, preferably region based, who could access and engage with vulnerable groups
- Modify existing trusted information and tools to meet circumstances and needs of vulnerable people
- Promote the development and delivery of non web-based information and tools through channels such as peer education (including CALD communities and groups), interactive and narrative devices (role-plays, DVD) that is tailored and culturally appropriate
- Support and adequately resource one-on-one budget and financial literacy work by volunteers with vulnerable groups (which could be further expanded to include a peer component, such as young volunteers, or volunteers within CALD and ATSI communities).

4. Gaps and opportunities

There needs to be a continuum of services to the vulnerable and disadvantaged that is book-ended by emergency relief and financial counselling. Whilst emergency relief focuses on immediate relief of financial crisis, the financial counselling model is a para-legal, outcome based model of advocacy and debt management. Financial literacy and capability is needed for vulnerable people experiencing financial difficulties, with a focus on early intervention and prevention that seeks to change attitude and behaviour to avoid ongoing or oncoming financial crisis. We recognise the increasing demand for supporting vulnerable and disadvantaged people experiencing multiple barriers to systems access. The aged, those with health issues (general and particularly mental health), CALD, Aboriginal Australians, low income and welfare dependent – all experience barriers to access in one form or another, including geography, service access, internet access, systems knowledge and navigation, language and financial exclusion. Financial literacy through ongoing, short-term support work ensures vulnerable clients needs are met and managed, reducing their need to access the emergency relief system.

5. Measures of progress

Community based agencies relying on predominantly volunteer workforce depend on the social capital within their communities. Research and evaluation require highly specialised skills and funds in order to be carried out meaningfully. Although client and service feedback are mainstays of data collection and program measures, measuring outcomes such as the impact of intervention on clients, communities and further afield are under-resourced. Increasing organisations' capacity to engage in program evaluation is a role that can be effectively supported by peak bodies such as CISVic.

Evaluation and measures of the use of social media, online and other digitally available information by end users, particularly as enablers of behaviour change would be beneficial to services on the ground. There is potential for these media to enhance efficiency and delivery of accurate and relevant information to end users, particularly where they have been tailored and filtered to meet needs or to build capacity for financial decision-making.