

## 12.2. Our experience in working with Māori and Pacific peoples

As a research and evaluation company in Aotearoa/New Zealand we are conscious of the bi-cultural and multi-cultural nature of the society we work within. We recognise Māori as tangata whenua of Aotearoa. Our team includes senior Māori and Pacific evaluators and researchers. We also draw on established relationships with other Māori and Pacific researchers who support us with specific expertise such as interviewing in other languages and cultural advice.

Each of our Māori and Pacific team members bring our own lens to the work that we undertake, but we know that this only reflects our own worldviews. We emphasise that there is no single Māori or Pacific worldview. Māori are a diverse and dynamic population made up of different iwi, hapu and whānau. Similarly, Pacific peoples are not a homogenous group. The term Pacific peoples encompasses 13 ethnic-specific Pacific groups occupying a range of social and economic positions, and unique languages, characteristics, cultural protocols and beliefs. We therefore recognise the importance of including a wider lens in our mahi and we are supported by the BFC leadership team, community leaders in the case study localities, as well as having our own professional and cultural supervision and networks.

Many of the tools we use as evaluators are grounded in the 'mainstream' and it is important to include the lens of Māori and Pacific evaluators and stakeholders (service providers and service users) as they are target populations and are most affected by this work. For example, we embed evaluation measures and methodologies to collecting information that are relevant and meaningful for Māori and Pacific communities. Our proposed community case studies and social return on investment analysis aim to include the perspectives of different communities in the evaluation.

Our Māori and Pacific evaluators will lead the engagement with Māori and Pacific service providers, communities and clients and provide feedback on every stage of the development of the evaluation plans. We work closely as a team and regularly meet to discuss all our projects.

We are always willing to adapt our ways of working to fit with the kaupapa of providers, whānau, aiga. We question ourselves and our assumptions, and we welcome challenges and questions from the people who share their information and expertise with us.

### 12.3. Evaluation team profiles

#### Dr Debbie McLeod: Director

BSc Hons; PhD; Dip Public Health



Debbie has over 30 years' experience leading and managing research and evaluation projects and teams in the public, private and academic sectors. As director, she takes a leadership role in all projects and has overall responsibility for all Malatest products.

Debbie honed her research and evaluation skills during more than ten years in the Department of General Practice and Primary Health Care and in the Wellington School of Medicine and Health Sciences. In 2004, Debbie moved to the Ministry of Social Development as a senior evaluation and research manager and then to the Ministry of Pacific Peoples as Director of Policy and Monitoring.

In 2010, Debbie left the public sector and went to Canada to work at R.A. Malatest and Associates Ltd where she managed several large research and evaluation projects commissioned by federal and provincial government agencies.

Debbie has been director of Malatest International since 2012. She is based in Wellington. She has lead the multi-year evaluation of the Working for Families programme, The Prime Minister's Youth Mental Health Project and the Medical Council of New Zealand's ten-year evaluation of the regular practice review programme.

#### Tim Rowland: Wellington manager

BSc



Tim Rowland (Ngati Tukorehe) has eight years of experience working in research and evaluation projects in the public sector. He worked for the Centre for Social Research and Evaluation at the Ministry of Social Development from 2009 to 2012. During his time there he worked on a wide range of projects, from analysis and presentation of administrative data to evaluations of family support services such as the Teen Parent Service and Family Start.

Tim has led projects with stakeholders across the public sector, managing project risks and ensuring deliverables are provided on time and to a high standard. Tim has experience across many different types of public sector research and evaluation projects and has worked closely with service providers in health and social sector. He has extensive experience in analysing large databases and conducting longitudinal studies using both survey and administrative data.

Tim has been a senior evaluator and Malatest International's Wellington manager since 2012. Tim has led the evaluation of MSD's community finance initiative and the alternative delivery pilot.



## Dr Lana Perese: Auckland manager

BA; BA Hons; PhD



Lana has over a decade of experience working in Pacific research and evaluation. She previously worked as Pacific Health Research Manager at the University of Auckland, and in research fellow positions at both AUT and the University of Auckland.

In 2008 Lana moved to the Ministry of Pacific Peoples where she led, commissioned, and was involved in many projects focusing on Pacific peoples in New Zealand. She led a research project to explore Pacific people's perceptions of wealth. She was the Pacific Theme Leader for the Growing Up in New Zealand Longitudinal Study and contributed to the design of research questions and methods and reporting findings from the study.

Lana has been a senior evaluator and Malatest International's Auckland manager since 2013. She has led the evaluation of complex programme involving different initiatives targeting Pacific peoples. Lana led the evaluation of the Commission for Financial Capability's Sorted workplace, Sorted Schools and Sorted Whānau programmes.

## Dr Tania Slater: Senior Evaluator

BA; PhD; Dip Public Health



Tania Slater (Ngāpuhi) has over 20 years' experience in research, evaluation and policy within academic, government and NGO settings. Māori health and development are at the core of her work, and this equity lens extends to all groups across Aotearoa. Tania's strengths are in qualitative research and she enjoys building lasting relationships with a broad range of key stakeholders including whānau, community groups, health and social service providers, government agencies and funders.

Tania began her research journey in the early 1990s at the Wellington Asthma Research Group, based in the Wellington School of Medicine. Then as a Māori Research and Policy Adviser at the National Collective of Independent Women's Refuges, Tania's research, policy and community engagement skills were further developed. In 2001, she joined the Research and Evaluation Unit at the Ministry of Justice and gained extensive evaluation experience as well as a good understanding of government processes.

In 2004, Tania returned to the Centre for Public Health Research where she was engaged in a number of occupational health studies. Her interest in Māori health and development led to involvement in a large Health Research Council (HRC) funded project on the role of primary care for Māori with cancer.

Tania joined Malatest International in 2017. She is based in Wellington.

## Gail Kelly: Senior evaluator

BSc, BA, PHD

Gail holds a PhD in Psychology and has had the opportunity over the last 20 years to use her social research and evaluation skills across multiple settings and sectors in both Australia and New Zealand. This has included within the tax system, the social sector, the environmental area, and at local government and community levels.

Gail has recently joined Malatest. Prior to joining Malatest, Gail was a Director with the Social Policy Evaluation and Research Unit (Superu) and before that was the National Manager of Research and Evaluation with the New Zealand Inland Revenue. Gail has also held positions with the Department of Agriculture, Fishery and Forests in Canberra, and with the Australian Commonwealth Science and Industry Research Organisation (CSIRO).

A common aspect in many of the roles Gail has held included the opportunity to work across disciplines enabling the application of expertise from social science, economics, human behaviour, systems thinking, statisticians and others to address complex social and environmental issues.

In her recent role with the Social Policy Evaluation and Research Unit (Superu), Gail oversaw the production and publication of a range of evidence briefs focused on vulnerable children and families. These include *What Works: effective parenting programmes* and *What Works: parenting programmes effective with Whānau*.

## Carmel Peteru: Evaluator

BA; MA (Applied) in Social Science Research



Carmel has twenty years of experience working in Pacific research. She has conducted research with Pacific people and communities and has been involved in a range of research projects primarily on issues of sexual violence, family/domestic violence and mental health. Carmel is skilled in qualitative and mixed method research design, data collection, analysis and reporting. She has undertaken interviews, focus groups and facilitated workshops with community and government stakeholders, and presented on her findings. She has wide networks in NGO, academic and government sectors. Carmel is fluent in English and Samoan languages.

In 2011-2015, she was Lead Consultant for Ministry of Social Development on the development of the Nga Vaka o Kāiga Tapu conceptual frameworks to address family violence across eight Pacific population groups. Her previous work has been research in cultural factors that prevent violence against Samoan women.



## Stewart Graham: Research analyst

BSc; MSc Hons



Stewart has a background in psychology and experience in both qualitative and quantitative research and evaluation. His master's thesis was based on the NZ Longitudinal Study of Aging survey and focused on the relationship between standard of living and quality of life. His previous work and studentships at the University of Otago Wellington examined secondary healthcare policies and patient perspectives of multi-morbidity.

Stewart is skilled in both quantitative and qualitative data collection and analysis, he has extensive experience interviewing and wide range of research participants and stakeholders as well as utilising in-depth statistical analysis. His role consists of working on all aspects of projects, from conception and development through to data collection, analysis and reporting. He is motivated by delivering high quality research to help drive positive change.

Stewart has been a research analyst at Malatest International since 2014. He is based in Wellington. He has completed hundreds of interviews with a wide range of people including many young people, people with mental health issues and disabilities, health professionals as well as a wide range of others.

## Max Porozny: Research Analyst

Adv. B.A.

Max earned an Advanced Bachelor's degree in Economics with a minor in Marketing from the University of Manitoba in Winnipeg, Canada. During a period of study in Australia, Max had work published in Deakin University's annual policy review journal. His work analysed the efficacy and efficiency of Australia's compulsory voting system. Using Statistics Canada's 2011 Survey for Labour and Income Dynamics, Max's senior thesis explored the connection between union status and wage compensation as well as what role unions can play in mitigating gender and minority wage gaps.

Before starting at Malatest International in 2017, Max worked for one of the largest and most respected technology companies in the world.

Max is skilled in analysing quantitative data and is capable of distilling large bodies of work into understandable and communicable components. Through his life-long passion for creativity, Max has become proficient in both visual and written communication.

## Natalie Froese Burns: Economist expert advisor

B.A. (Hons) Economics; M.A. Economics



Natalie has over 15 years of experience in research and evaluation. Natalie has both qualitative and quantitative skills, and with a background in econometrics, has designed and undertaken large-scale quantitative projects and surveys. Natalie regularly undertakes economic analysis feasibility assessments, designs economic studies and undertakes analysis.

Natalie was team manager of the Working for Families Evaluation for the Ministry of Social Development, and has also worked for IRD and the Office of the Auditor General. Since 2008 she has worked with R.A. Malatest & Associates and Malatest International.

Natalie has the ability to identify and describe the “big picture”. She hones in on well-supported, evidenced-based conclusions and their implications. Natalie is exceptional at providing independent review of projects in the planning, implementation and findings stages. She ensures that information is defensible and clearly communicated. Most importantly, Natalie is skilled at keeping implications at the forefront: what does this information tell us about what action is needed, how much it will cost, and what has been achieved.

## Robert A. Malatest: Social return on investment expert

B.A. (Hons) Economics & Statistics; M.A. Economics



Robert Malatest is the Canadian-based Director of Malatest International. Robert provides oversight and active participation in large-scale, complex research projects. Robert is a trained economist with 28 years of research experience for the public and private sectors. He is also a Credentialed Evaluator (designated by the Canadian Evaluation Society) and a Certified Market Research Professional (CMRP), the highest professional designation conferred by the Market Research and Intelligence Association (MRIA).

Robert’s nearly 30 year history in research and evaluation includes the design, development and administration of numerous research studies including consultations and strategy development in the labour market, education and training, industry, housing, as well as the funding and provision of health services.

These studies have generally entailed the development, administration and synthesis of a range of activities (surveys, quantitative/ qualitative analyses, review of administrative data) to provide a comprehensive review of the identified policies or programs.



## Appendix One: Provider dashboard sample

### Building Financial Capability: [Provider Name] Provider results dashboard for the period January - March 2018

1

#### 1.1 Building Financial Capability Provider Results Dashboards

The Building Financial Capability Provider Results Dashboards are to support conversations that enable providers, M3D and the BFC Trust to work together to continuously improve the results achieved with their clients.

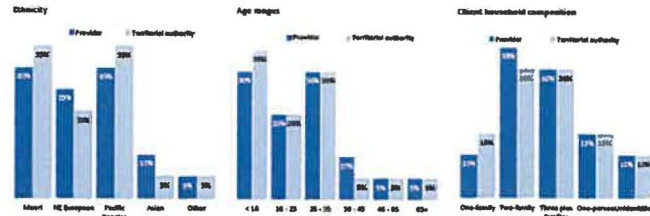
The Provider Results Dashboard mainly reports findings based on data from the BFC Trust's Client Voices database. Data drawn from other sources is clearly marked.

The Provider Results Dashboard is provided as a six monthly basis to providers who opt in to receive one and who:

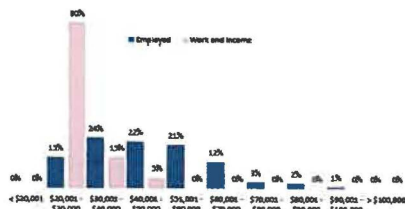
- Use the Client Voices database for all their BFC clients
- Consistently use the BFC Client Outcomes Measurement Tool pre and post intervention
- Agree for the National Building Financial Capability Charitable Trust to provide their client voices data to Malatest International for producing these reports.



#### 1.2 Client demographics compared to the profile of people in decile 1 or 2 in your Territorial authority Demographics of clients who received a BFC service during the reporting period, compared with people experiencing hardship (Deciles 1-2)



#### 1.3 Total household income at engagement



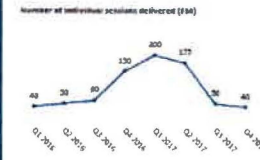
#### 1.4 Main source of income at engagement The main source of income first recorded for clients.



### Building Financial Capability: [Provider Name] Provider results dashboard for the period January - March 2018

2

#### 2.1 Service delivery volumes



#### 2.2 Your contracted volumes



#### 2.3 Client volumes



#### 2.4 Number of referrals



#### 2.5 Sources for all recorded referrals

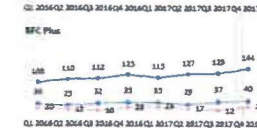


#### 2.6 Client outcomes measurement tool

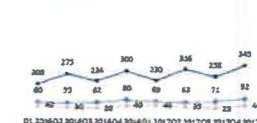
The figures below relate to clients assessed in this report period. The Ministry expects all clients to have completed at least one initial and one COMT. The data captured using the COMT is the main source of data for outcomes reporting.



#### 2.7 Client outcomes measurement tool



#### 2.8 Client outcomes measurement tool



### Building Financial Capability: [Provider Name] Provider results dashboard for the period January - March 2018

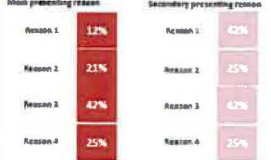
3

#### 3.1 The client outcomes measurement tool

The figures below relate to clients assessed in this report period. The Ministry expects all clients to have completed at least one initial and one COMT. The data captured using the COMT is the main source of data for outcomes reporting.



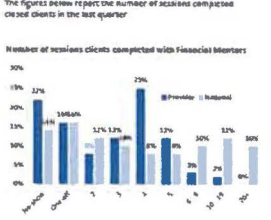
#### 3.2 Engagement with BFC services



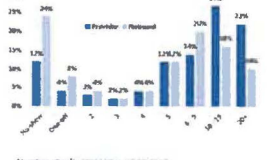
#### 3.3 Results measurement - average scores



#### 3.4 About your clients' situations



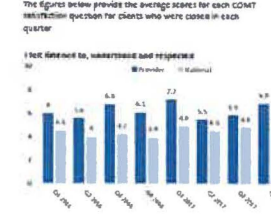
#### 3.5 Results measurement - average scores



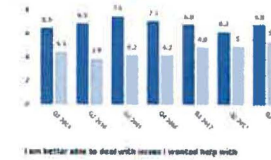
#### 3.6 Results measurement - average scores



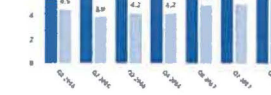
#### 3.7 Results measurement - average scores



#### 3.8 Results measurement - average scores



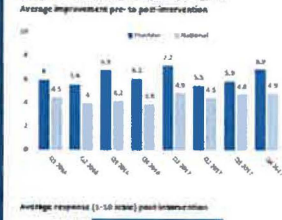
#### 3.9 Results measurement - average scores



### Building Financial Capability: [Provider Name] Provider results dashboard for the period January - March 2018

4

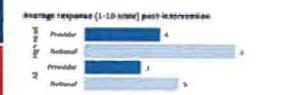
#### 4.1 I/we are on track to achieve our goals



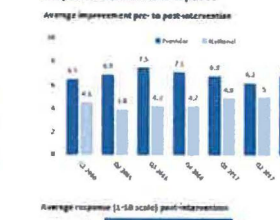
#### 4.2 I/we feel in control of any debt



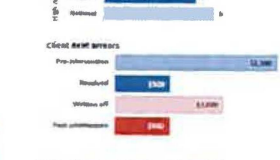
#### 4.3 I/we can confidently manage our finances



#### 4.4 I/we can confidently manage our finances



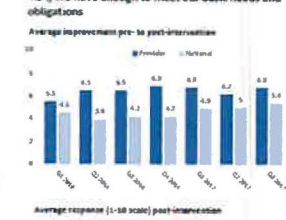
#### 4.5 Feedback on what is working well



#### 4.6 Feedback on what could be improved



#### 4.7 Feedback on what could be improved



#### 4.8 Feedback on what could be improved



#### 4.9 Feedback on what could be improved





**Malatest**  
International

## **Building Financial Capability: Community case studies**

**June 2018 – updated September 2018**





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## Executive summary

**The objective of BFC services is to build the financial capability and resilience of people, their families and whānau who are experiencing hardship**

Building Financial Capability (BFC) services were rolled out in November 2016 by the Ministry of Social Development (MSD). The development of BFC services was based on research evidence and co-designed with service providers. New services and initiatives are being progressively introduced and are due to be complete by July 2019.

MSD previously funded the delivery of budget advisory services across New Zealand. However, evidence from research showed that real change in people's lives occurred when financial mentors worked with people using a strengths-based approach. Evidence also indicated the need for a holistic approach to build people's capability to manage their finances and set goals for the future.

### **This report summarises three in-depth community case studies**

Malatest International has been contracted to evaluate the BFC initiative. This report provides feedback on the community case studies component of the evaluation.

BFC services are delivered in the context of the local community within which people live. BFC service delivery and outcomes are influenced by the demographic profile of the community, the community structure, context, and other services available in the community. Availability and type of employment, visibility of high-interest lenders, and physical (e.g., transport, hours that services are open) and social conditions make it easy or hard to access BFC services. These vary from community to community and influence outcomes, cultural fit of the services and products, and the local mix of services offered.

The in-depth community case studies enable us to look across communities to examine differences and similarities in how the local context influences the delivery and effectiveness of the services.

This report summarises the findings from interviews with 95 people across three communities:

- Eastern Bay of Plenty, which focused on the communities of Kawerau and Ōpōtiki (excluding Whakatāne)
- Porirua, which is part of the greater Wellington area (excluding Paremata and Whitby)
- Central Otago, focusing on Alexandra and the small surrounding towns of Cromwell, Clyde, and Ranfurly (excluding Queenstown and Wanaka).

### **A mix of services in a community was important to provide the breadth of support clients needed**

The clients we interviewed had different needs. Some clients needed financial advice because of changed or anticipated changes in their situations. Other clients had experienced crises and had complex needs that required long-term support. Client need for financial capability support varied between the communities and was reflected in different numbers of hardship grants.

BFC and non-BFC services varied in the extent they focussed on providing budget advice, building financial capability and/or providing a breadth of health and social services. However, a mix of organisations offering a mix of different services is required in a community to meet clients' needs.

In funding BFC services in a community it is important to consider:

- The mix of services to ensure there is service diversity within a community to meet different client needs (e.g., services with different organisational structures and delivery mechanisms).
- The physical location of communities and BFC service providers, and the geographical barriers such as travel times and distances for clients to access services.

### **The BFC services procurement and tender process changed local community dynamics, disrupting some existing relationships and networks**

All communities had budget advice or financial services prior to BFC. Past and present relationships influenced the delivery of BFC services in local communities. At the local level, the tender process and refocusing of financial services had changed community dynamics.

Some of the main changes were:

- Whether a previously funded provider gained BFC funding – some service providers who were well thought of in the community did not gain BFC funding
- Whether a provider's funding was reduced – meaning the organisation had to adapt. Changes in response to reduced funding impacted staff and organisational structures, access for clients, and potentially the organisation's reputation because they no longer delivered the services they had previously.

Relationships between Work and Income and providers and a shared understanding of the goals of BFC services were key to effective delivery. For referrers and for



clients, trust in the BFC provider and confidence in the quality of support for the client were more important than what services were funded. Changes in the BFC funded provider meant relationships and local networks had to be rebuilt.

**Overall, all those we interviewed thought the BFC system was working well in their community and was more effective than budget advice alone**

It was clear from our discussions that BFC providers, Work and Income staff, providers of other financial and social services, and community leaders considered building clients' financial capability and resilience was a more effective approach than budget advice alone. The BFC initiative had enabled providers to implement and/or strengthen a holistic, client-centred approach to support clients to set goals and take control of their financial situation.

**The communities were working at different speeds in fully understanding the goals of BFC and embedding local systems**

The implementation of BFC services represented a change for some budget advisory services. We found that the communities were at different stages in 'bedding down' BFC and more time was needed to further develop and embed BFC for effective delivery and outcomes for individuals, families and whānau.

There was no universal approach to deliver BFC services. Service providers focused on delivering the type of support the client needed, even if that extended beyond the services they were funded to deliver. Financial mentoring was the most common BFC service. There was not always a clear delineation between this and BFC Plus services.

MoneyMates is a BFC initiative that aims to provide peer support to clients to assist them in making changes and building financial resilience. MoneyMates had been successfully delivered by a Porirua service provider. The clients we talked with thought peer support through the MoneyMates group had made a real difference for them.

However, BFC providers described challenges in setting up MoneyMates groups in the smaller more rural communities:

- It was more difficult to find a group of people with common issues who could become a peer support group in more sparsely populated areas
- There was a strong culture in rural areas about not wanting people to know that you are having problems; wanting to keep your personal business private and not wanting to share that in a group setting (rural areas were well-known for 'hearing things on the grapevine')

- One of the biggest barriers was distance and lack of public transport. Many low-income people did not have their own vehicles, were reliant on others for lifts, and could live long distances from where a MoneyMates group might be held.

We suggest reviewing the MoneyMates programme including its underpinning philosophy, goals, delivery in local areas, and training. This may lead to strengthening the delivery of MoneyMates in larger urban areas and reassessing options for rural locations.

### **Local networks and relationships influenced referral patterns and the speed with which clients were able to access the services they needed.**

Although, BFC services target people who are in paid employment as well as those in receipt of a benefit, Work and Income was a key point of connection between the target groups and BFC services<sup>1</sup>.

The relationship between Work and Income and the BFC providers differed between the communities. Effective local relationships and networks influenced how quickly people could access the services they needed. When there was trust and regular communication: roles were clear; referral patterns benefited the clients; and there was a shared view about the goals of BFC services.

BFC providers expected referrals from Work and Income and some providers spent time at Work and Income. Co-location of BFC services providers at Work and Income services contributed to building relationships and trust and helped reach people in the target group. Joint training was another strategy that had been very effective in one community.

We suggest establishing mechanisms for Work and Income and BFC providers to interact so they can build a shared understanding of BFC goals and strengthen their relationships to improve client outcomes. Interaction was important for managers and frontline staff. Joint training had been an effective strategy in one community.

The need and value of clients having access to Māori and Pacific providers and approaches was recognised. Access varied including developing in-house capability and local collaborations.

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<sup>1</sup> Work and Income referrals were second in frequency to self-referrals.



Consider how to support Māori clients. This may include supporting the development of kaupapa Māori financial capability service providers. In the interim, providers could focus on building partnerships as an interim step to strengthening their delivery of culturally safe services.

**From clients' perspectives, it was about a connection with the person, not the product or service they were receiving.**

There were many success stories of positive change in people's lives. This had occurred through the trusting relationships built over time with their financial mentors. Clients appreciated the warm and supportive environment of the providers' services. They described many instances where they had received help far beyond the scope of the building financial capability service. The service they received was based on their need, not necessarily the BFC service or product the provider was funded to deliver.

Service providers and some clients also noted stigma associated with needing BFC services.

Further promotion of BFC services through local government and other networks could help to overcome stigmatisation of help-seeking behaviour.

**Although clients had improved financial capability, lack of opportunities was a barrier to their financial resilience**

Community stakeholders and BFC providers stressed that high costs of living in the communities coupled with low incomes meant it was very difficult for BFC clients to change their situations. In Central Otago and the Eastern Bay of Plenty, housing affordability was increasing because of urban drift from neighbouring larger cities and tourist destinations.

Building financial resilience was about working with people to build opportunities to increase their income. Opportunities for people in the case study communities to increase their incomes were limited. Looking to the future, local stakeholders in the Eastern Bay of Plenty talked about upcoming developments that may lead to employment. In Central Otago, seasonal work and low waged work in the hospitality industry limited people's potential to build financial resilience.

BFC initiatives, such as The Generator, aim to build community capacity and provide opportunities for people to increase their incomes. However, these were not in place at the time of these first community case studies.

## Strengthening BFC services

**Sector leadership:** One of the advantages of the BFC system was the central leadership from MSD's national BFC team and the National Building Financial Capability Charitable Trust (FinCap). However, information flow through to frontline staff varied.

FinCap has been established to provide sector leadership. FinCap has only recently replaced the New Zealand Federation of Family Budgeting Services. Service providers, especially frontline staff were not fully aware of the differences between the two organisations.

Continuing to clarify and promote the role of the Trust, including to frontline staff, is an important strategy for continuous improvement.

**The BFC workforce:** Providers sought to employ people with both social work and financial management skills. Remuneration and housing were two frequently raised issues in attracting and retaining staff in all communities. Most providers had some reliance on volunteers and this could be a pathway to paid employment.

All BFC providers were aware of the need to have staff with the 'right cultural mix' to fit with local people in the community.

Assist collaboration between organisations as required to ensure clients from all cultural groups have access to culturally safe BFC services and build workforce cultural understandings.

**Workforce development and continuous improvement:** Feedback about BFC training varied. Different providers had different training needs depending on the skills of their staff. Service providers identified the need for sector leadership in providing training opportunities in multiple forms. Service providers also welcomed forums where they could share information with each other. When Work and Income and provider staff trained together this was very beneficial in building a strong relationship and getting a shared view of BFC goals.

Consider the balance between:

- Training facilitated by the national MSD and FinCap aiming to communicate messages to BFC providers
- Local training opportunities where Work and Income and local BFC and non-BFC funded service providers can share learnings and grow understanding about what is available in the locality. Local training



opportunities have the potential to build relationships and enhance the way different services can work together.

**Communication:** at all levels of the system (national, regional, local) was important. When making decisions at the national-level, thought should be given to the impact at local level. While communication between the BFC team at MSD was effective at regional level, information did not always filter down to frontline staff.

Multiple communication channels will build an understanding of BFC; these should be suitable for different stakeholders (e.g. government agencies, providers, other social and health providers, local government) at different levels in the system (e.g. national, regional, local community).

**Improving monitoring systems and tools:** is important for continuous improvement and monitoring. There was some nervousness amongst BFC providers about sharing identifiable client level data but they seemed more comfortable sharing de-identified data. Work and Income staff and BFC providers discussed limitations of current data and reporting systems.

**Funding models:** The session model of funding was appreciated by BFC service providers, but they considered the amount insufficient for the service they provided. The funding model also did not address the impact of 'no show' clients and travel time.

Lack of public transport was a barrier to accessing BFC services, which providers mitigated by travelling to clients. Travel time and costs were not recognised in current contracting. It would be beneficial to incorporate these aspects of service provision into contractual arrangements to ensure clients in small rural communities have access to BFC services.

## 1. Introduction

The Ministry of Social Development (MSD) funds the delivery of Building Financial Capability (BFC) services. The objective of BFC services is to build the financial capability and resilience of people, their families, and whānau experiencing hardship. Building Financial Capability (BFC) services were rolled out in November 2016. New services and initiatives are being progressively co-designed with the sector and will be rolled out nationally through to July 2019.

### 1.1. A brief overview of BFC services and initiatives

The BFC approach puts the client at the centre by offering services relevant to them to help improve their financial capability and resilience to financial hardship.

The BFC spectrum of support includes<sup>2</sup>:

- **Financial mentoring and financial plans of action:** Financial mentors provide one-on-one services to help people, families and whānau with their finances. Financial mentoring reframes budget advice to focusing on building financial capability using a strengths-based approach to achieve financial goals.
- **MoneyMates:** MoneyMates is the new peer-led support and is based around the concept of sharing and learning together as a group. Facilitators encourage clients to learn from others and gain control over their financial lives to make longer-term behaviour changes<sup>3</sup>. The MoneyMates initiative is based on evidence that behaviour change occurs through learning and sharing with peers.
- **The Building Financial Capability Fund<sup>4</sup>:** The BFC Fund aims to help community groups and local providers to build the financial capability of people and communities. It replaces the MoneyMates Fund. Providers/organisations can apply for funding to pilot ideas that will support communities experiencing hardship to become financially capable and resilient.
- **BFC Plus:** Supports clients with the highest needs. Interim services (including Total Money Management (TMM) and Intensive Financial Mentoring (IFM))

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<sup>2</sup> Ministry of Social Development. Building Financial Capability Services Guidelines (p.18). <https://www.msd.govt.nz/documents/what-we-can-do/providers/building-financial-capability/training/building-financial-capability-services-guidelines-july-2017.pdf>

<sup>3</sup> [www.msd.govt.nz/what-we-can-do/providers/building-financial-capability/moneymates.html](http://www.msd.govt.nz/what-we-can-do/providers/building-financial-capability/moneymates.html)

<sup>4</sup> <https://www.msd.govt.nz/what-we-can-do/providers/building-financial-capability/bfc-fund/index.html>



are in place for a two-year period while a longer-term service is co-designed with the sector. The new approach will start from July 2019.

- **The Generator:** Generates prosperity through community action and enterprise in New Zealand communities most vulnerable to poverty. The Generator supports communities to develop initiatives to increase their income and resources while building social connections.
- **Money Talks:** A first response service to help people make good decisions under pressure.
- **Community Finance:** Affordable credit to people and whānau at risk of unsustainable debt and hardship.

BFC services involve government agencies, service providers and other stakeholders:

- **Core stakeholders:** The BFC team at MSD, the BFC leadership group including the FinCap, the wider Service Delivery division of MSD, iMSD, MBIE and the Social Investment Agency (SIA)
- **Referrers:** People referring clients to BFC services; for example, frontline staff including Work and Income staff and other health and social sector organisations
- **BFC providers:** Provider organisations, managers and frontline staff
- **Wider stakeholders:** Other government agencies and other organisations involved with BFC (e.g., communities, clients, banks, etc.).

## 1.2. The evaluation of BFC services

MSD has commissioned a five-year evaluation of BFC services with four main objectives:

- **Targeting:** Assess the extent that BFC services are well targeted to building the financial capability and resilience of the New Zealanders experiencing the highest levels of hardship
- **Client experience:** Explore how well BFC services are working for those receiving the services and what improvements are needed
- **Effectiveness:** Examine the effectiveness of the BFC services in building the financial capability and resilience of New Zealanders experiencing hardship
- **Impact and return on investment:** Review the long-term impact and return on investment of BFC services for New Zealanders experiencing hardship.

The scope of the evaluation includes the evaluation of: service delivery; specific BFC initiatives and how they contribute to the BFC service; what outcomes are achieved for clients; and how the effectiveness of the BFC service is influenced by community and environmental contexts.