

offered financial mentoring, but the type and intensity of service provision and support was adjusted to suit local conditions and client realities.

The providers worked at matching the financial mentor with the client based on both client needs and client capability. Most financial mentor sessions (99%) were delivered by mentors in paid roles with a small number of sessions delivered by volunteers.

Needs and capability also drove the level of service intensity. The profile of the population and the prevalence of different needs was important in service delivery and intensity in the different communities. The average number of sessions varied by ethnicity and age, with older clients receiving substantially more sessions than younger clients.

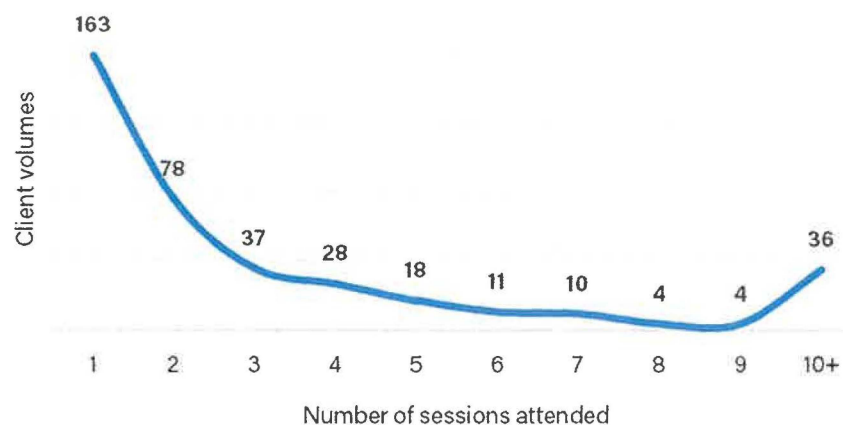


Figure 6. Number of sessions that clients attended by volume of clients from July 2017 to June 2018.

	3.4	2.0	1.2	1.3	1.9
	New Zealand European	Māori	Pacific Peoples	Asian	Other
	2.3	2.3	2.5	2.4	6.2
	25 and younger	26 - 35	36 - 45	46 - 65	65 and older

Figure 7. Average sessions attended by client demographic

The length of time clients worked with their financial mentors varied, but commonly those with complex needs stayed with their mentors for twelve months or more. It was common for the frequency of time spent with mentors to gradually reduce as clients got on top of their situation or became more confident in managing their finances. It was also very common for clients to return to the service if they needed

to at any point, and they expressed gratitude for the accessibility and availability of their mentors.

3.6.2. There was a lack of differentiation between financial mentoring and BFC Plus products

For many of the providers there was a lack of differentiation between financial mentoring and BFC Plus. Most of the providers talked about working intensively with clients who, due to their complex life circumstances and high needs, required intensive support as part of providing a financial mentoring service.

I don't see the difference between the two [financial mentoring and BFC Plus]. I could have somebody walk off the street and have a hardship [application] on say six but wouldn't tell you I've got budgeting problems. You can't define because you're unsure if they're coming in with multiple issues, and you find that they've got debts here and there, and they're owing heaps of people. (Provider)

However, one BFC frontline staff provider of BFC Plus felt many of the clients needing this type of intensive service also had mental health problems. There was no indication that these clients were also receiving mental health services.

I work with BFC Plus and I work with a lot in (community), when they're unwell, they'll spend all their money and they can't even think about it. Meanwhile the other people that are coming from Work and Income are normal type, they're not like that, so the BFC plus is definitely mental health behind them. It's causing them to spend their money erratically and crazy. And you're there to help them through that, and they tell me that themselves 'When I'm unwell, I just spend my money'. (Provider).

3.6.3. MoneyMates was intended as a peer support programme but has been difficult to get up and running in some communities

Wesley Mission's 'Good Cents' programme provided a foundation for the development of the BFC MoneyMates programme. Good Cents is a peer-led group programme for people from the Porirua community, aimed at improving financial wellbeing. It grew out of local need and was community-driven; that is, people experiencing hardship had a say in the solution.

Good Cents emerged as a locally grown response to this concern about debt and has sought to grow into a community-owned initiative that is focussed on transforming the systems and structures in our community that create unsustainable debt.¹¹

The Good Cents programme has continued to operate in Porirua and has a strong reputation in the area.

¹¹ The Porirua Good Cents Initiative – Framework for Change: 2011 – 2012, p. 2. [Unpublished].

So, we watch people go through the Good Cents course, and truly change the way they looked at administering their money and their life, according to money, and what have you, and we had some really powerful stories come out of that programme. (Work and Income)

Some BFC providers had or were in the process of setting up systems to offer MoneyMates. In one of the larger regions, the provider used MoneyMates as a basis to customise programmes for different target groups. Feedback received from these groups informed the continuous improvement of other programmes.

We talked with a small group of clients who were part of a MoneyMates group run by a BFC provider. They said they enjoyed the group aspect of MoneyMates and wanted to keep attending. Some people had missed certain sessions and wanted to continue to ensure they covered all the programme topics. They were adamant they came to the group to keep on top of their finances and *not just to tick a box for Work and Income*.

It sucks when you don't have a group. We share ideas on how to get out of bad places... it took maybe one or two weeks to get comfortable but now we all know each other. (MoneyMates clients)

There had been, however, a challenge in taking a locally-developed initiative underpinned by a strong philosophy and implementing it as a government, national-level initiative without losing its original intention. In contracting out the delivery of the MoneyMates service, the need for process (templates, labelling) could result in losing the philosophy on which it was based.

Discussions with providers in the community case studies, as well as in other work (e.g. *Sorted Whānau*¹²) has highlighted the importance of being able to adapt the programme content to the philosophy and kaupapa of the organisation. It has also highlighted the need for support for facilitators of group programmes to build their confidence in group facilitation.

Providers also talked about practical difficulties in getting MoneyMates up and running. This was particularly an issue in the small rural communities of Central Otago, Kawerau and Ōpōtiki. Although the Ōpōtiki provider had a MoneyMates group ready to proceed this had been delayed due to a lack of capacity within the organisation.

From some providers' perspectives, MoneyMates was not necessarily a suitable programme for small rural areas for the following reasons:

¹² A financial capability group programme delivered by Māori and Pacific providers to people with harmful gambling.

- With more sparsely populated areas there was greater difficulty in finding a group of people with common issues who could become a peer support group
- There was a strong cultural environment 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')
- Importantly 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.

The Central Otago provider, who offered a full range of services in Dunedin as well as across the whole of Otago, compared their experiences of running the MoneyMates service in both rural and urban areas. They provided the following insights:

We trialled MoneyMates but it was hard to run it because of the culture of people – having come from richer families and then they have had crises like marriage breakdowns but want to stay in the area – there can be a bit of a “rich person mentality” – don’t want to be in group with someone else, they want to go somewhere where they don’t know anyone. Also people have erratic work hours so organising groups is harder. MoneyMates is working better in Dunedin. (Provider)

The theory is good but people around here are very private. The town’s very conservative, doesn’t like change. People don’t want anyone else to know what’s going on. (Provider)

Our discussions with providers and others also suggested there may be a lack of clarity about the goals of MoneyMates. It was perceived as an educational or training group rather than a peer-support group, although there was evidence that different styles of groups were set up to cater for different needs.

For the church group I made a programme up that was totally different to the one we’ve got in here. It just depends on the clients you’ve got, and the church group we were educating them around credit, around savings, around budgeting and short term and long-term goals. But in here, because they are coming from WINZ (sic), we took them right from the start with the budgeting sheets because we’ve got to catch it early because they are coming from WINZ (sic). (Porirua provider)

Based on the interview data from the community case studies, we suggest that a review of the MoneyMates service would be useful to:

- Clarify its underpinning philosophy as a peer-support function; if this is not done, it may ‘morph’ into an educational or training course over time
- Provide additional training to service providers to deliver MoneyMates
- Explore options for delivering MoneyMates in rural communities to address the identified barriers. Options might include funding transport or running small groups at outreach locations.

3.7. Access to Māori providers for Māori clients

Māori clients and clients from other ethnic groups were over-represented in lower income groups. Aggregated data from four BFC providers showed BFC services were reaching Māori, who were over-represented in the client populations. Providing financial capability services that are culturally safe is essential to ensure that Māori have equal opportunities for support to build financial resilience.

The need and value of clients having access to Māori and Pacific providers and approaches was recognised. However, access varied including developing in-house capability and local collaborations. There were differences across the communities in the extent Māori clients had access to Māori financial service providers:

- In Ōpōtiki the BFC provider was a Māori service provider
- In Kawerau we did not see a strong interface with other Māori social service providers. Instead, this organisation was focused on building their cultural capacity in-house with local staff.
- There was little availability of Māori service providers in Central Otago. The BFC provider had some Māori capacity and was developing a bicultural policy to guide service delivery within his organisation and for the region more broadly.
- Compared to the other community case studies, Porirua had the most culturally diverse range of BFC providers, largely due to some providers starting as social service agencies (e.g., Te Roopu Āwhina, Whānau Centre).

Provider profile: BFC Māori service

This organisation was a social service agency and delivering BFC services was new to them. Many whānau they worked with sought help with budgeting and financial issues were the underlying cause of social issues for whānau. BFC funding has enabled them to strengthen their provision of wrap-around, holistic services.

The organisation delivered a range of other services including Whānau Ora, Te Pou Matakana, Whānau Direct, social workers in schools, counselling, violence prevention, and home-based support. They also had a health contract and a truancy contract. The organisation had about 23-24 staff and was funded for one full time staff member to deliver BFC services (BFC Plus, financial mentoring, MoneyMates). They had three staff members trained to deliver BFC to help manage the workload.

They had strong relationships with other agencies including other Māori services. Their client base was about 50% Māori and 50% Pacific Peoples. They used a cultural approach to deliver MoneyMates – *'karakia, food, and we try and keep it in the Māori focus and that's made a huge difference'*.

3.8. Non-BFC funded providers also delivered financial capability services in the communities

There were a range of different non-BFC funded financial capability building services being delivered in the case study communities. The service providers were well-known and embedded within their local communities. They added to service diversity and it was evident they were fulfilling a need.

Clients were referred to non-BFC services through a variety of pathways, including: self-referrals (often based on word-of-mouth from friends or family), other government and non-government agencies, and internally if the organisation offered a range of other social and health services.

The interviews with non-BFC providers highlighted that the way they worked with clients was very similar to BFC providers – the service was matched with clients' needs and capability. They advocated on behalf of clients if needed, worked with them over time to help them build capacity to manage their financial situation independently, and were available for clients for long periods of time (years in some instances).

Budgeting services were the most common type of financial capability service being delivered. As for some of the BFC providers, we found NGOs who delivered only a budgeting service (some organisations had previously been funded under the Ministry's budget advice funding), or a budget service delivered as part of an integrated or wrap-around service.

A *total money management service*¹³ was offered in Ōpōtiki by a self-funded voluntary organisation. At the time of the interviews they had approximately 30 clients and often advocated for them with Work and Income and creditors.

There were a growing number of organisations in Central Otago providing services for Pacific peoples in the region to assist people in the horticulture industry's temporary work scheme.

The following are two examples of non-BFC services provided in the communities.

¹³ Total Money Management (TMM) was offered as a component of the BFC Plus service and was intended to help clients who had difficulty managing their finances independently. Malatest's evaluation of the BFC Plus initiative found that financial mentors took over responsibility for managing client income to ensure client financial obligations such as debts and bills were met. In practice, TMM was often used to help clients who were challenged by addiction, mental health, intellectual disabilities, or financial abuse.

Provider profile: non-BFC service

There was one organisation in the Eastern Bay of Plenty that had delivered a variety of different services for over 20 years. They supported about 30 clients, many of whom had a variety of life and personal challenges, including low financial capability.

They had received MSD funding in the past but lost this about two years ago. They provided a family budgeting service and the organisation was funded and run by volunteers. The service they provided largely took the form of 'total money management' where the client's money was channelled into a bank account that the organisation controlled. The organisation paid all the client's bills and provided an allowance for the client to live on. They also support the client as needed with, for example, Work and Income applications, assistance with Housing New Zealand and the Tenancy Tribunal, and negotiations with creditors.

As mentioned in the previous section, the Wesley Community Mission delivered the *Good Cents programme* in the Porirua area. This eight-week course was run as a series of two-hour sessions and led by two facilitators, one of whom was a peer facilitator (a previous participant who had also been involved as a trainee/observer in subsequent groups). Ease of access was important with sessions being held at various venues and food being provided. Good Cents was described as a strengths-based programme with a strong focus on outcomes.

Provider profile: Non-BFC service

In Central Otago, the budget advice provider who had previously received MSD funding under the budget advice funding system was not successful in the BFC tender process. They continued to operate with fewer paid staff, a greater reliance on volunteers, and fewer resources. They were well-networked and embedded within the local community and referrals came from a range of other community organisations as well as client self-referrals based on word-of-mouth. They offered financial services not otherwise available and which had been highlighted as becoming scarcer in communities (e.g., no assets procedures, bankruptcy processes, KiwiSaver hardship withdrawals). The organisation is currently diversifying with a greater focus on financial education.

4. The role of local networks and systems

Past and present relationships influenced the delivery of BFC services in local communities. The most influential was the relationship between Work and Income and the provider.

Summary of findings

- Work and Income local offices were the face of BFC in the communities.
- Work and Income staff attitudes towards the BFC services and the relationship between Work and Income and BFC providers was critical for effective service delivery. Relationships influenced when and how clients were referred and transitioned between services, provider advocacy for the client, and follow-up about client outcomes. The relationship between Work and Income and BFC providers was not always clear or functioning well, especially if there was a lack of shared understanding about BFC and each other.
- As well as relationships between Work and Income and BFC service providers, effective service delivery was influenced by:
 - Other local relationships and how well stakeholders worked together
 - Community and client connection with and acceptance of the BFC provider
 - The physical location of all service providers, which influenced ease of collaboration.
- Referrals occurred at different times in the client journey depending on local conditions, assessment of client needs and the relationship between Work and Income and the providers.

Considerations

- Establish mechanisms for Work and Income and BFC providers to interact so they can build a shared understanding of BFC goals and strengthen their relationship to improve client outcomes. Joint training had been an effective strategy in one community.
- Consider how to build networks with Māori providers as an interim step is to set expectations about culturally safe services.
- Assist collaboration between organisations as required to ensure clients from other cultural groups have access to culturally safe BFC services.

4.1. The role of Work and Income in building financial capability

Regional directors described the overarching goals of Work and Income in relation to the delivery of the BFC approach were to help people have better lives, to have employment, options and choices. BFC was described as much more than just helping people manage on limited incomes. From Work and Income's perspective it was also about finding ways for people to become financially resilient by increasing their income – essentially through gaining employment.

There was considerable variation in Work and Income managers' and staff understanding of the aims of the BFC service and the way it was working 'on the ground'.

MSD contract to outsource skills Work and Income doesn't have - it's more intense than budgeting. (Work and Income staff)

At Step 6 hardship, it is noted that referral has been made for in-depth discussion. When they come back at hardship 7, they don't have to produce everything except if they have a budget form noted. If they don't bring the form back, their next application may be declined. (Work and Income staff)

In relation to BFC, Work and Income's role was operational (as opposed to Oranga Tamariki's contractual role). Staff were there to make things happen on the ground. Staff said they did this by establishing relationships and working collectively with the providers and other agencies. At the local level, Work and Income staff reached across to local employers and businesses in one direction and to social and health services in the other.

The relationship between Work and Income and BFC providers was very important in how well the services worked together on the ground. To some degree, the strength of the relationship reflected whether staff in both agencies had worked together in the past and the changes that occurred during the roll-out of BFC.

The following are two examples from the case studies.

Example 1: No change in provider but a reduction in funding

In one of the case study communities there was no change in provider with the roll-out of BFC services. However, the provider had to manage a reduction in funding (compared to previous funding packages). This resulted in a reduction in opening hours, turnover of staff, and a higher reliance on volunteers.

Work and Income staff perceived a decline in the services being provided and the relationship and trust between Work and Income and provider staff had deteriorated. There was very little communication between the two and a tendency to 'play it by the rules' (follow what is mandated).

Example 2: Change in provider

One community had a change in provider with the roll-out of BFC services. This required very careful management by Work and Income staff at both the regional and local levels. Interviews with Work and Income staff emphasised the importance of relationships in small communities and staff had an excellent relationship with the previous provider.

There was considerable tension initially when BFC was rolled out and *“there was quite a grieving process for the old provider”*.

The hardest thing at the beginning was that our [the community’s] budgeting service didn’t get contracted...My staff are quite discerning in who they send their clients to ... they like to know who they’re sending their people to, and they like to know a little bit about them, and then they like to reassure people... [BFC provider] are the most popular but that’s because their range of services is by far the most diverse. (Work and Income staff)

The new provider needed to recruit new staff, hired two staff from the previous provider, and the budget advice provider continued to operate. The impact has been to slow down the transition to BFC in this community, including Work and Income staff fully understanding BFC goals.

4.2. The impact of local networks on referral patterns

Self-referrals were an important source of referrals to the case study BFC providers. Across all providers, self-referrals accounted for just 42% of all referrals from July 2017-June 2018. Client referrals from Work and Income made up just over one-third of referrals (36%). Clients were also referred to BFC providers from other government agencies, other local providers (financial or social services), and internally (from other services the provider offered).

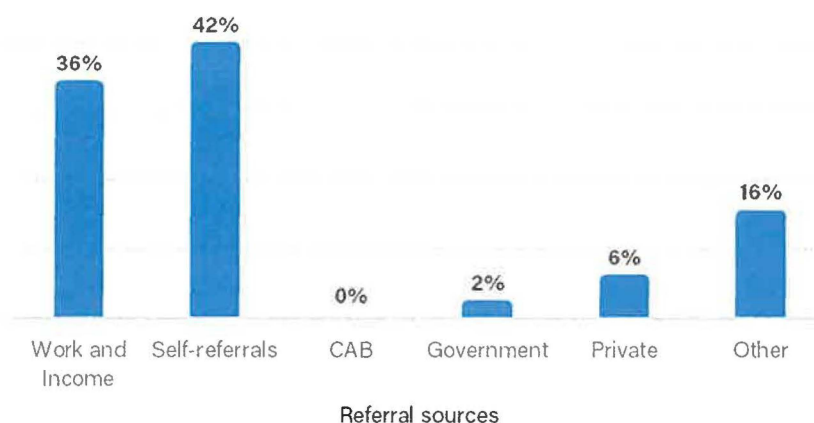


Figure 8. Referral sources as recorded by BFC service providers using Client Voices from July 2017 to June 2018.

There was an expectation from providers that Work and Income would ensure a flow of clients. Referral patterns were influenced by:

- **The relationship between Work and Income and BFC providers and understanding of providers' services and local context:** The strength of the relationship influenced when and how clients were referred. For example, in one community Work and Income and the provider were located opposite each other. This close proximity benefited client access but disadvantaged the provider when clients were referred outside their usual business hours (e.g., when staff were in the office on days off).

In larger regions, Work and Income could select which provider they referred clients to, and this was usually based on the strength of their relationship with the provider or their understanding of the provider's service offerings (e.g., Kaupapa Māori services, the range of services).

Work and Income senior/contract managers monitored referrals and ensured open communications between staff and the wider organisation to avoid the risk of staff referring clients to a select group of BFC providers.

You can't decide who gets contracted or not. If you're not liking what you're hearing about who's contracted, you have to feedback to [senior manager] ...I've seen Work and Income just stop referring because...[the provider's] not treating their clients right, or they're not providing the service...the contracts manager is sitting in Wellington going "what's the problem guys?" ...nobody's talking to each other... (Work and Income staff)

In most communities there was a good working relationship between the providers and Work and Income staff, with good communication between staff in both agencies.

We [the BFC provider and Work and Income] have all the case workers in one room. We have a list of our clients and say right, these are our issues, what are your issues, let's come and make an agreement to the betterment of our client. Our clients know we're doing this otherwise we can't. And we have a respectful working relationship 'cause I don't always agree with them and they don't always agree with us. But we can meet in the middle so that's what works. (BFC provider)

- **Work and Income client referral guidelines:** Work and Income guidelines stated clients were to be referred to BFC providers after six hardship grants (or three for MoneyMates referrals). In practice, referral processes varied and the Work and Income staff we interviewed suggested that earlier referral and intervention may help prevent ongoing crises.

... put steps in place before reaching the critical stage...so clients are not going into repeated crisis/hardship. (Work and Income)

Community contexts also influenced the timing of referral. For example, according to the Central Otago BFC service provider, very few clients

reached six hardship grants¹⁴. Reasons included availability of family and community support and the characteristics of clients requiring assistance. Work and Income staff often met clients' needs by providing information and advice to clients who accessed between three and five hardship grants. Fewer clients then reached level six hardship grants and fewer referrals were made to BFC providers.

Once it gets to hardship number three...Step one discussion about budgeting happens...complete and bring back this [Work and Income budget form] ...hardship four, we issue [Work and Income form] Step Two 'My Goals'...hardship five, Step Three... hardship six...referral to financial mentor. (Work and Income)

4.3. Relationships and collaborations with Māori and Pacific providers

There was wide recognition by all those we interviewed of the need for easy access for Māori and Pacific clients to Māori and Pacific services (including a diverse range of approaches). Across the case study regions, different community ethnic profiles and contexts had influenced BFC provider recognition, prioritisation, and services for Māori and Pacific clients.

There were however, differences in the degree to and manner in which Māori and Pacific providers were part of collaborations or were consulted with about financial services. Some BFC providers interfaced well with Māori and Pacific service providers, ensuring the delivery of culturally-safe services for clients. Our interviews in Porirua highlighted collaboration with and among some of the Māori and Pacific service providers.

The focus in Porirua has been on meeting current population needs but changing population dynamics could lead to some gaps in the services available to meet the needs of clients. For example, some interviewees highlighted the need to support other immigrant and refugee populations.

It was important for BFC services to recognise the need for interfacing with different cultural organisations. Diverse cultural contexts and realities required collaborative networks within each community to ensure the delivery of culturally-appropriate services.

Collaboration is always based on trust. There are some we work really well with. There are some where we don't have a strong relationship with at all, and we've chosen to walk away and leave that relationship where it is. There are some who are not looking for a collaboration relationship with (us), and that's okay too. (Provider)

¹⁴ Insert MSD administration data when available.

We're part of a number of groups across Porirua city. We have a good relationship with police (through Oranga Tamariki), and other providers like ... There is some information that is shared across. There is some best practice stuff that we do a lot of with (another organisation). (Provider)

4.4. Critical networks and relationships for effective services

Numerous stakeholders across the case study regions (directly and indirectly) influenced the delivery of BFC services. These included: Work and Income (at the community, regional and national levels), BFC providers, non-BFC providers, clients, and other community, social and health service providers. The relationships within and across these stakeholder groups were critical to the delivery and effectiveness of BFC services and client outcomes.

The most critical were relationships between:

- **Work and Income and BFC provider staff:** Necessary for client referrals and client access to information and support. In some case study communities there was a strong disconnect between the two agencies, limited understanding about each other's roles and differing views about BFC.
- **BFC providers and clients:** Ensured clients were ready to engage in and use BFC information and support. Some Work and Income clients only accessed BFC services when they felt they were ready to make changes. Providers' awareness of the importance of client readiness and preparedness to meaningfully engage meant their *door would always be open. (BFC provider)*
- **BFC providers and other financial, social and health service providers:** Impacted on how potential clients viewed, connected and engaged with the BFC services. In some communities:
 - Clients chose to engage with staff in non-BFC provider organisations because of historical strong and loyal affiliations and because they were Māori or Pacific providers
 - BFC providers did not provide wrap-around services and relied on relationships with other providers (social services, health, etc.) to ensure client needs were met. This was a two-way process.
 - BFC and non-BFC financial service providers occasionally shared workloads or swapped clients when they thought it was appropriate.

The Strengthening Families Programme¹⁵ was raised in all communities as being instrumental in bringing service providers and government agencies together in

¹⁵ <http://www.strengtheningfamilies.govt.nz/>

collaboration to meet local needs. Many critical relationships had been formed through this process.

Generally, the strongest relationships between BFC providers and other agencies tended to reflect the prevalent issues in the community, with the need to build financial capability just one component of meeting clients' needs. For instance, in Central Otago, the BFC provider worked closely with Age Concern and received referrals from the local hospital, which reflected the growing and significant proportion of older people in the region. In Porirua, which had a high rate of family violence in the community, we noted a strong relationship between some of the BFC providers and Women's Refuge. These examples highlighted the interrelatedness of people's needs and the requirement for a holistic approach to improve the effectiveness of all services.

Local councils had autonomy in deciding what type and extent of economic, social and community services they delivered in their communities. We found interesting differences across the community case studies in their interaction with the BFC and other social providers. For instance, in Kawerau, the local council was highly visible from the Mayor down and they had put considerable resources into helping to improve the lives of people. While the focus was on job creation they had undertaken a street by street assessment of what people may need and had provided land for a community food forest project. In contrast, the council was 'invisible' in Central Otago and it was difficult for us to gain any insight about their contribution from our discussions with interviewees.

The physical location of community services also influenced how well different services worked together. We found local providers considered local conditions when referring clients to BFC and other services.

Thinking about the types of referrals we're making to different agencies, accessibility is an issue for families. Half the time, they can't get to those agencies or they have to walk there if they can. (Social service provider)

In Alexandra, most of the local financial and social service providers were centrally located in a purpose-built 'Community Hub'.¹⁶ This meant staff regularly interacted formally and informally, sharing information as needed and ensured ready access to services for their clients.

Finally, we think it is valuable to add an outsider view of BFC. This perspective was from an organisation that provided ethical lending. This organisation worked closely with a BFC provider and had seen a big difference in the quality of applications over

¹⁶ This building also houses the Central Otago Rural Education Activities Programme who also refer people to building financial capability and budgeting services.

the last two years. Clients who had a financial mentor were much better prepared in their ability to repay any loans.

It tends to be a longer process working with people who aren't financial mentors... The quality of the applications coming through the financial mentors will be higher than coming through other organisations. (Community Porirua)

An important outcome for clients can rest on the relationships between the BFC providers and ethical lending organisations such as this.

But then also if there is a problem, you know, the mentors have really good relationships with their client. So if somebody doesn't pay for whatever reason I'll give them a call, give the mentors a call, and they'll either know what the situation is, or they'll contact their client and work through a process of what needs to be done. Whether it's doing another budget, so we can reset the repayment levels, or you know, put it on hold for a while, whatever it might be... (Community, Porirua)

5. Client perspectives and achievements

For the client, it was the person delivering the service that mattered. Positive change in people's lives had occurred for clients working closely with their trusted financial mentors.

Summary of findings

Capability

- BFC clients reported significant improvements in their financial capability, accompanied by positive emotional, relational, and psychological outcomes. Clients we talked with from non-BFC providers reported fewer significant improvements in financial capability.

Motivation

- The main motivations for both BFC and non-BFC clients was meeting basic life needs and providing for their children.

Opportunity

- Most clients were unable to identify future goals and opportunities.
- BFC and non-BFC clients identified local challenges such as lack of housing and employment, finance trucks and moneylenders, and tithing obligations that challenged people's financial resilience.

Behaviour change

- BFC clients had made progress towards building financial resilience by paying off debt, increasing savings, and becoming more money-conscious.

Service delivery

- BFC clients valued their providers' warmth, responsiveness, and compassion, which affected their engagement with providers. They liked their provider's ability to directly address and resolve financial issues in a straightforward and prompt manner.
- Barriers to accessing services such as lack of infrastructure/services and cultural/community stigmatisation of help-seeking behaviours were identified by clients.
- Holistic and wrap-around services facilitated change. Analysis suggested non-BFC clients were receiving less holistic or wrap-around services than BFC clients.

Considerations

- 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.

- A lack of community awareness about BFC remained. Increased promotion about these types of services is required.
- Further co-design approaches could include community members who were well-regarded to help reduce embedded stigma about accessing financial support. This could improve client willingness to engage with BFC services.

This section of the report is based on interview data with a sample of 44 clients: 36 clients of BFC service providers and eight clients of non-BFC service providers¹⁷. Interview data is complemented by data from Client Voices for four BFC providers.

5.1. The clients and their needs

Client ages ranged with 81% aged between 26-65 years. The age profile of clients was slightly younger than the New Zealand population. There were more female (69%) than male (31%) clients. Benefit receipt was the main source of income for the largest group (74%), with 22% receiving salaries or wages and 5% citing other income sources. Loans were the main reason given for presenting debt. Other sources of income include student income and ACC.

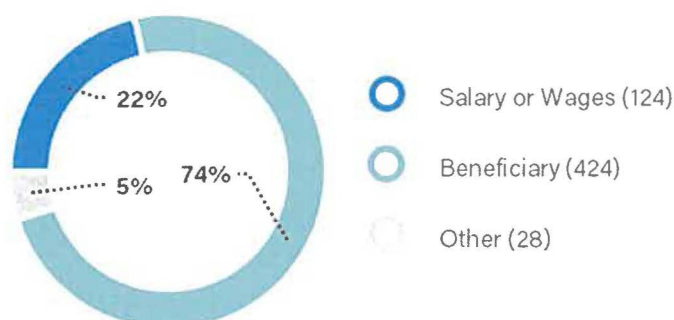


Figure 9. Main source of income as recorded by BFC service providers using Client Voices across the case study communities.

We noted a wide range of client capability and need amongst the clients we interviewed. Providers, Work and Income staff and other stakeholders also described clients of financial capability building services. All the providers had many clients with high needs whose crises were due to past trauma, family violence (either as a child or in adult relationship).

¹⁷ A table summarising client demographics can be found in Appendix B. The client sample is not representative of all BFC and non-BFC clients – we anticipate sampling bias towards clients who have made positive changes in their life circumstances and are now doing well.

Clients often come in with seemingly simplistic needs but when you start drilling down and they begin to feel, you know, that the relationship starts to develop, you then start to discover what's really happening in the world. (Provider)

5.2. Financial capability

5.2.1. Clients reported improved financial capability as a result of the BFC services

After support from BFC providers, clients reported feeling more capable and knowledgeable about their finances and felt a greater sense of accountability due to attending regular meetings.

Regardless of the region they lived in, the clients we interviewed reported significant improvements in their ability to meet their basic needs and control debt.

Additionally, they felt greater confidence in managing their finances and were on track to achieve their goals. Figures Figure 10-Figure 17¹⁸ below show the mean change in financial competence questions for interviewed clients and the average results across all clients based on data from Client Voices.

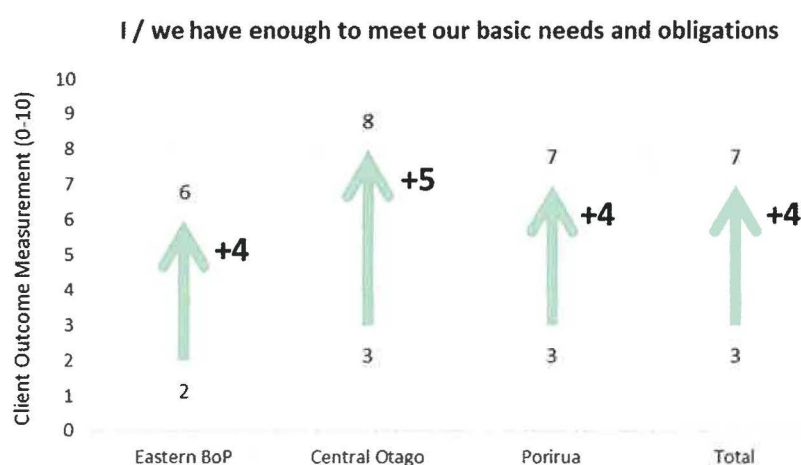


Figure 10. Mean change in 'Meeting basic needs and obligations' (COMT) data by community

¹⁸ Note that client data from both BFC and non-BFC service providers are included in this analysis. A table showing the data can be found in Appendix B.

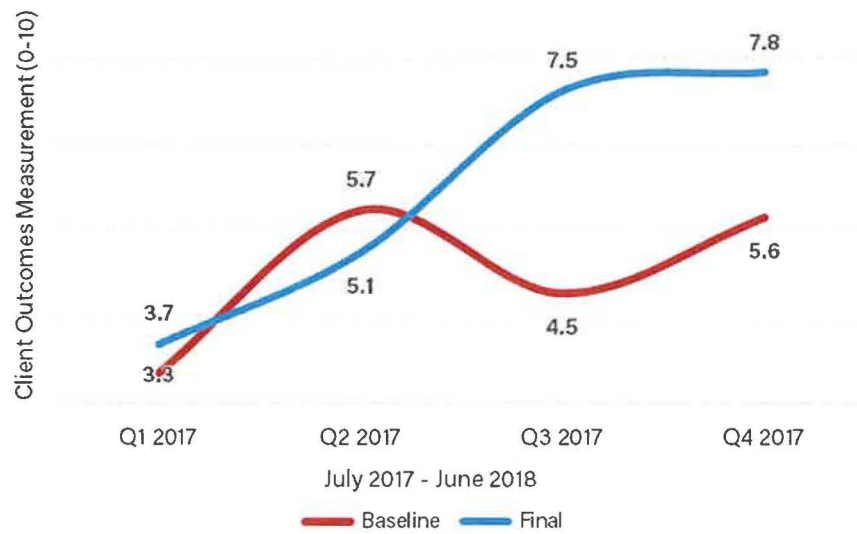


Figure 11. Baseline and final COMT 'Meeting basic needs and obligations' scores for client cases that were closed in Client Voices in each reporting quarter from July 2017 to June 2018

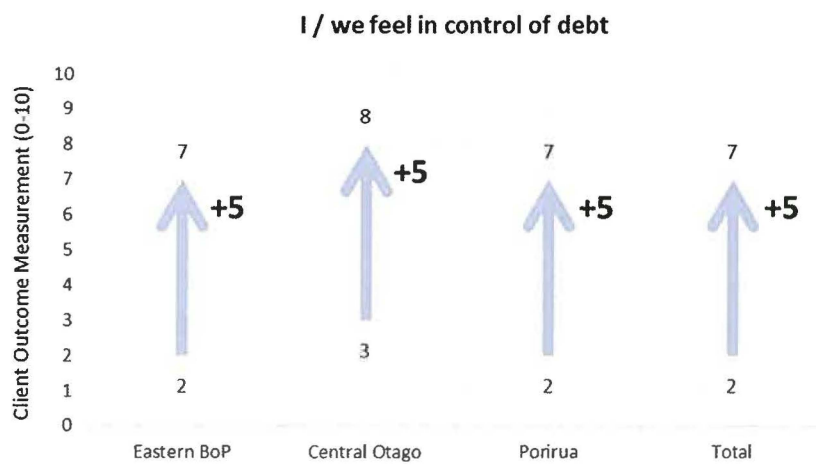


Figure 12. Mean change in 'In control of debt' (COMT) data by community