

Figure 13. Baseline and final COMT 'In control of debt' scores for client cases that were closed in Client Voices in each reporting quarter from July 2017 to June 2018

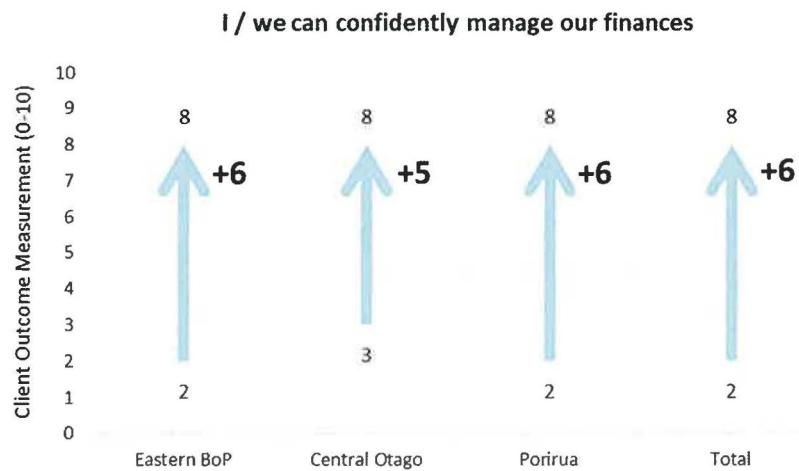


Figure 14. Mean change in 'Can confidently manage finances' (COMT) data by community

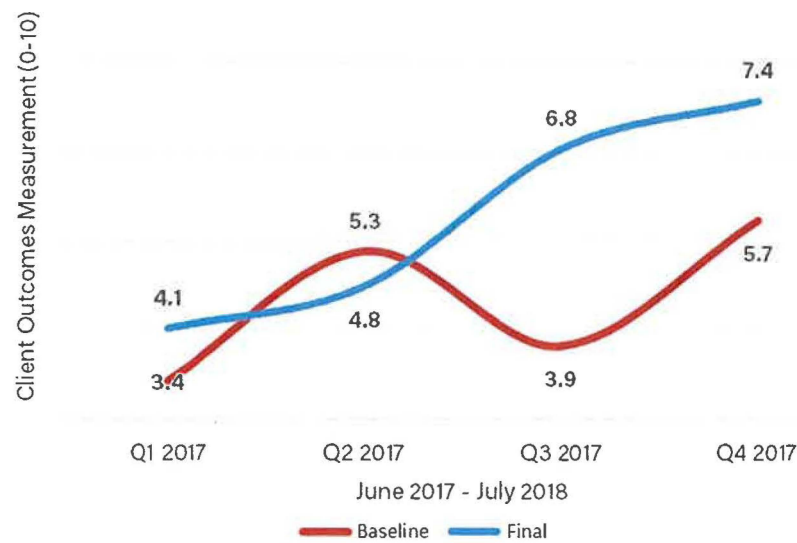


Figure 15. Baseline and final COMT 'Can confidently manage finances' scores for client cases that were closed in Client Voices in each reporting quarter from July 2017 to June 2018



Figure 16. Mean change in "On track to achieve goals" (COMT) data by community

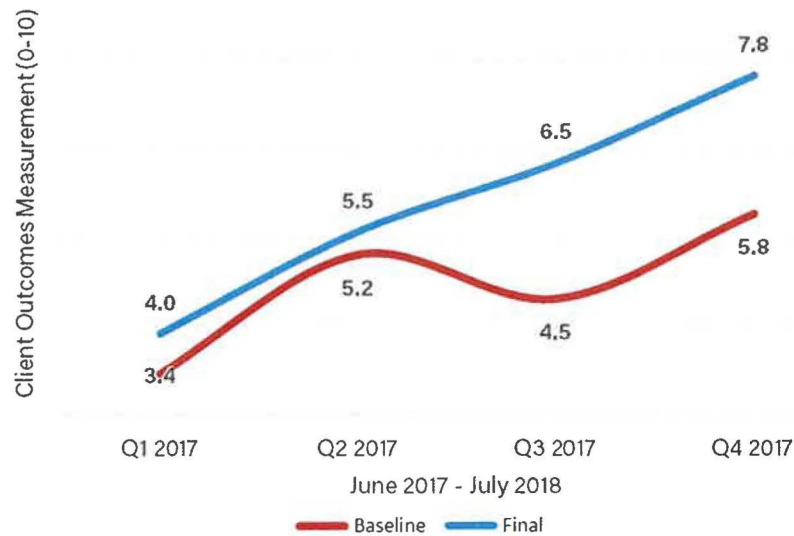


Figure 17. Baseline and final COMT ‘On track to achieve goals’ scores for client cases that were closed in Client Voices in each reporting quarter from July 2017 to June 2018

As illustrated in the figures above, many clients said they would have reported very low scores in all four competency areas before accessing BFC services and considerable point increases when thinking about their current financial state. Equally telling were clients’ self-assessments of what their circumstances would be like if they had not accessed BFC services. Most clients indicated low or worse circumstances without the help of their financial mentors.

The survey data indicated that clients’ engagement with their BFC providers had led to meaningful changes in their lives. Although many continued to experience difficulties in meeting their basic needs and controlling debt, the help of their BFC financial mentors has improved their financial situations significantly and resulted in positive changes in their ability to be financially resilient.

Client feedback in interviews was supported by changes in status recorded in Client Voices pre and post-mentoring.

5.3. Client motivation for change

5.3.1. Survival and improving their children’s lives were the main drivers for change

Clients’ motivations for seeking help to change their financial circumstances varied – two frequently raised areas were to meet basic needs (survival) and provide for their children. Survival typically involved clients wanting to be self-sufficient to meet basic, everyday needs (e.g., food, shelter, warmth), to control debt, and pay for essential medical bills. For a few clients, their motivations to improve their situations arose from recognising their inability to manage their finances was due to *‘inappropriate behaviour’*. For example, buying cars on loan and then crashing the

vehicles, buying expensive household items 'on tick', or because of addiction problems such as gambling.

I didn't come here so they could help me fill out my, just to fill out my hardship. I came here for a lot of other reasons. Gambling was one of the reasons, I was gambling our rent money. I messed up. I came here and they put me on the right track. (BFC client)

Those clients with children wanted to provide a better quality of life for their children beyond just meeting basic needs. Many recognised the negative impact their financial situation was having on their children and felt their circumstances were inadequate for their children to feel happy and safe.

I'd just like to be able to take my children somewhere fun... a zoo, a fun park. That's what we're saving for at the moment. We told them, 'it's not going to happen overnight', but 'when it happens, it's going to happen.' Because it's them that lose out at the end of the day. You know like they're fed and all of that, they're happy in that way. But kids want to be kids. Like, we can take them to the park downtown, they're excited. But I want to take them where they're going to think, 'whoa!' (BFC client)

We observed some regional differences in clients' motivations to seek change in their financial circumstances. For example, clients from Eastern Bay of Plenty were generally focused on improving their basic needs while clients from Central Otago also mentioned being motivated to change to achieve longer-term goals (e.g., buying a home, going on a holiday with their children, and achieving financial independence). Porirua clients, on the other hand, had more varied motivations; about half were focused on providing better lives for their children, while the other half emphasised wanting to improve their financial situations for themselves.

Differences in client motivation for change, particularly the contrast between Eastern Bay of Plenty and Central Otago, likely reflect the different reasons why they sought financial help. For example, clients in Central Otago tended to seek help due to an unexpected change in their life circumstances (e.g., a relationship breakdown leading to the need to find accommodation, make child support payments, and be a solo parent), which in turn led to them experiencing hardship. On the other hand, most clients in Kawerau and Ōpōtiki described life circumstances where they had been in hardship for many years. Many were long-term beneficiaries¹⁹. Porirua clients described more varied life circumstances that had led them to seek help, including high levels of expenses and debt, relationship breakdowns, and health/mental health issues (including substance abuse).

¹⁹ MSD administration data would be a useful inclusion here.

5.4. Opportunities for change

5.4.1. Most clients were unable to identify opportunities for the future, suggesting they were focused on managing their short-term needs

A few clients were able to talk about what they wanted to accomplish in the future. Some clients were eager to find work and start education and/or training to improve their employment prospects. These clients wanted to increase their incomes to save money to buy a home or for a rental bond, while others wanted to go on holiday with their children or buy nice items for them.

Some clients were able to identify change happening in their communities that might offer employment opportunities. For instance, clients in Kawerau spoke about the new mill that was going to be built, a possible glue factory and terminal depot for storage containers, while clients in Ōpōtiki identified the mussel farm, all of which might offer employment for locals.

However, it is important to note that, when prompted, most clients were not able to identify future goals and opportunities for the future. This likely indicates clients are very focused on managing their current situations, leaving little time or inclination to think about future opportunities. This may be particularly so for those who had experienced hardship for a long time.

There is one final observation we would like to make based on the interviews with clients. While the majority of people were unable to make financial donations, many contributed to their local communities through voluntary work. This varied from involvement in schools, the SPCA, community gardens, or helping older members of the community.

5.5. Financial resilience

Clients said they were making progress in resolving financial problems, like paying outstanding bills and getting rid of debt. Many also noted they were better able to budget and manage their finances on an everyday basis. Many were eager to continue attending regular meetings with their financial mentors to help keep them on track.

5.5.1. Most clients were building resilience for the future by reducing and controlling debt and in some cases starting to save for long-term goals or to manage unexpected expenses

Most clients were making progress towards building resilience for the future as a result of working with their financial mentors. Clients were in the process of paying off different levels of debt – some as much as \$85,000, others as little as \$500. Depending on the size of their debt, some clients – across Porirua, Central Otago,

and Eastern Bay of Plenty – did not feel able to regularly set aside money for their savings.

Most clients we interviewed did not have high levels of debt and were in a position to start building resilience. Those with smaller debts reported they had increased their savings and were confident they could save money every month and handle unexpected expenses. For example, one Ōpōtiki client said she was now saving \$300 every month, whereas before the programme she had no savings. In addition, she was currently able to put money towards school activities for her children, which was possible because she had almost paid off a \$10,000 loan. Many other clients across the communities similarly noted they now had small amounts of savings, where before working with their financial mentors they had no savings at all.

Ultimately, building financial resilience was a slow process for many clients as the continual need to manage basic needs and resolve urgent financial situations (e.g., controlling debt) left them unable to properly address building resilience for the future.

5.5.2. Most clients reported an improvement in their general wellbeing, especially a reduction in feelings of stress

Financial resilience, however, is not just about being able to manage your finances; it includes inter-related social and health effects. Clients reported that their feelings of increasing financial capability were usually accompanied by improved emotional, and psychological wellbeing as a direct result of engaging with the BFC service.

The progress they made with resolving financial problems increased their confidence, self-esteem, happiness, and further improved their personal relationships with their children and partners.

We feel like we're managing, we've pulled ourselves out of the worst-case scenario, we're getting on top of it, we've got money to carry onto the next week to help out where short, which is quite good... It's made a lot of difference, it's helped a lot. The kids are happy, we're happy. You feel on top of the world when you can actually say that you're on top of that. (BFC client)

Clients also talked about reduced stress levels because they were beginning to feel in control of their situations. Importantly, because of these positive psychological outcomes, some clients felt more able to think about setting and making progress towards long-term goals, rather than focusing on meeting their most urgent and immediate needs.

Some clients also discussed health benefits. A client in Porirua reported that because she was 'more money-conscious' she was now able to find cheaper alternatives for food, enabling her to live a healthier lifestyle. This, in turn, helped reduce medical costs for health issues, allowing her to have more money for other expenses.

5.5.3. Opportunities and barriers to changes in financial resilience – the lack of affordable housing was identified as a major challenge in all three community case studies

In Central Otago and Eastern Bay of Plenty in particular, a lack of housing was associated with an influx of families from Auckland and Tauranga into the regions. Housing stock previously rented by local people was being bought up by new arrivals (many of whom are retirees), decreasing the available rental properties and simultaneously pushing up rental costs. This, coupled with a lack of construction of new homes, drove some people to live in their cars or in campgrounds, or at the very least, identify ways to manage higher rental costs. Similarly, it was noted in Porirua that the few new houses being built in the area did not match the high demand.

We've got Housing New Zealand building some up the road but it's 53 units. We need, I don't know, 500. (BFC provider, Porirua)

While the high cost of housing was a big issue, we noted most clients we interviewed had very stable housing situations having lived in the same house for many years.

5.5.4. There was a lack of employment opportunities in Eastern Bay of Plenty and Porirua and a reliance on seasonal work in Central Otago

Clients identified the lack of local employment opportunities within their communities, especially in Kawerau, Ōpōtiki and Porirua. This was borne out by the higher than national average unemployment trends over many decades. Any available employment was often seasonal or outside the local area (requiring travel) and most of the clients we interviewed were receiving a benefit, particularly in Eastern Bay of Plenty.

There are jobs, but only seasonal... If there were jobs here? You watch, I'd be on it. I'd be keen to go to work but it's only kiwifruit at the moment. And when that finishes? Everyone is back on the dole again. Till next season. (BFC client)

The combination of seasonal work and lack of available housing was a key challenge for Central Otago.

5.5.5. Easy access to moneylenders and mobile finance and retail trucks lured people into debt

Most of our interviewees talked about the ease of access to finance and how retail trucks and moneylenders took advantage of people in need. Clients described how easy it was to get a small loan (often with a very high interest rate) if you needed money immediately, particularly because of the accessibility of online moneylenders. One client described having paid off one loan and being 'bombarded' by constant texts to entice her to borrow more money. Clients also talked about retail trucks that offered a variety of items (e.g., food, clothing, etc.) to take immediately and pay later, but again, for very high interest rates.

Do you know how tempting those trucks are? They'll give you anything you want straightaway... If you buy anything from the trucks, it's usually three times more expensive than if you go to the Warehouse. (BFC client)

Most of the clients we interviewed had got into debt through buying goods and not being able to keep up with payments.

5.5.6. Porirua had a large Pacific Peoples population and tithing obligations were raised as a challenge in this community

An issue highlighted in Porirua, which has a well-established Pacific population, was tithing as a cultural expectation. Pacific clients reported that there was a great deal of pressure from their families and communities to give money to churches. This often contributed to financial hardship.

I used to tithe a lot, it was about give, give, give. It is like my family is like yep, you put in a hundred this week, you put in a hundred this week... but now I said no since coming here. I realised that I got to look after myself and my family first and not get into more debt. I have learnt to say no. My kid's grandma has always gotten \$100 a week for church but now I've said no. That money goes to my bills now. (BFC client focus group)

The following comment from a social service provider highlights the need for financial mentors to be non-judgmental and sensitive when approaching this subject with their clients.

Because financial is one of the key components in whānau ora that we have to talk to our families about, we're quite open in the discussion with our families in regard to fa'alavelave, the kind of contributions that we make. We talk about that in a way that's not threatening or that it's wrong or anything like that. We talk about the contribution that we make is often greater than what we have. That's the conversation we have here with the client before we go to budgeting services because for us, we need to have that conversation, so they don't feel like they're being attacked when they're talking with the budget advisors. It's a prep conversation we have here. We're really selective about who we have that conversation with, and similar conversation about tithing to the church minister. (Social service provider)

5.6. Delivering BFC services

5.6.1. The important aspects of service delivery for clients were receiving a credible service that eased their financial circumstances, not having to wait to be seen and being in a warm and supportive environment

Our discussions with clients highlighted that they considered a wide range of provider qualities were important when accessing BFC services. Clients highlighted a straightforward and prompt service as one of the most important qualities – as soon as clients walked in the door, they could expect to be seen straightaway. Many clients discussed how BFC services helped with a variety of issues such as budgeting,

paying bills, and clearing debts, and how financial issues could be resolved immediately with the help of their financial mentors.

Clients also considered providers' ability to advocate for them as crucial, particularly when the credibility of the BFC provider was useful in renegotiating payments with creditors.

When you've got a budget advice person with you... you can say to them 'well I'm paying this off, I've got budget advice' and when you say you've got budget advice they [creditors] back off, so that's where it's really wonderful. (BFC client)

Client perceptions of provider warmth and responsiveness was critical to how they accessed BFC services. Clients noted that they were more likely to access the service because of the welcoming, responsive environment that they experienced. It was important for clients to seek financial help from people who were compassionate, non-judgemental, and showed a willingness to help.

They are very welcoming, they don't look at you up and down like you're scum or anything like that. They're actually here to help, they are compassionate. (BFC client)

They don't just help you with budgeting advice, they're there for you at all times. Night times, weekends, anything at all. If you've got a real problem they'll come and sort it with you. (BFC client)

5.6.2. Clients highlighted physical infrastructure and cultural barriers that prevent people in their communities from accessing financial services

Clients identified a number of factors as barriers that restricted other people in their communities from accessing financial services. These included:

- Physical barriers because of the geographic location of some communities. For instance, people in Central Otago had long distances to travel to towns where services were located.
- Generally non-existent public transport in the Eastern Bay of Plenty and Central Otago communities and few transport services (e.g., buses, taxis) were available to allow people to travel to and from services.

Now I've got a vehicle but before when I had no vehicle it was, you know like, it was hard to get anywhere, 'cause I live all the way down the other end of town and New World's way down that other end, and like when it came to a shopping day, I sort of had to do the bare minimum shopping because I couldn't carry it all the way back if I did a big shopping. (BFC client)

- Cultural and community stigmatisation of help-seeking behaviours with pride and shame often preventing people from seeking assistance – whakamā.

There is so much whakamā, people are afraid to show they need help, people won't go until they are forced, like I was, they need that forced thing. (BFC client)

... Having to go there and have somebody look at how they spend their money, that's so huge for our families. Getting them to that point of showing us their financial accounts and then having to talk to someone else, that's a huge step for them. (Non-BFC provider)

Pride was often the root cause of people believing that they did not require additional assistance.

So many people here in the community have that brain-dead macho attitude of 'I don't need help, I'm doing just fine'. But there is nothing to be scared of, it's good to come here. (BFC client)

In Central Otago, clients and providers put a greater emphasis on privacy, about people not wanting others to know their business or their circumstances.

5.7. The views of clients from non-BFC providers

We interviewed a small number of clients from non-BFC-funded providers – three from Central Otago and five from Eastern Bay of Plenty. It is, therefore, important not to generalise these findings to a wider group of non-BFC clients. The clients interviewed included those who were working, on a Work and Income benefit, receiving ACC payment after an accident, or who were students.

When comparing BFC and non-BFC clients' descriptions of their financial capability building services, a key difference was that BFC clients were receiving a more holistic, wrap-around service. Most of the non-BFC clients were receiving a straight financial or budgeting service. Importantly, non-BFC clients seemed to have a more 'hands-off approach' to their own finances, as it was typical for their providers to take care of their finances for them. In some cases, this included having the non-BFC provider take over all communication with the client's bank and Work and Income case manager. Several clients were not aware of their own levels of debt and savings, as this was managed for them by the non-BFC providers. One client noted there was not a great deal of transparency or client education.

They don't really give much information, but you know everything is getting paid. They don't do any educating to teach you how to do it yourself. It's not part of their service. I've been thinking very seriously about doing my own finances. (Non-BFC client)

Several clients of non-BFC providers had used KiwiSaver hardship withdrawals to pay off debt at the advice of their provider. Despite this, some still had significant levels of debt and were struggling to make ends meet with their everyday finances. Non-BFC providers had also assisted clients to access interest-free loans.

The clients of non-BFC providers also mentioned little communication or collaboration between their service providers and other services in the communities. However, despite the possible lack of transparency and inter-agency collaboration,

clients were satisfied with the services they were receiving and believed their providers were very accessible.

Like the BFC clients, the non-BFC clients also reported improvements in their financial capability as a result of engaging with their providers. Some non-BFC clients reported substantial changes in their overall wellbeing due to increases in their financial capability after engaging with their providers.

It was a really good impact on my life... without her I don't think I could survive. I wanted to kill myself before. (Non-BFC client)

Non-BFC clients had many of the same life circumstances and motivations as their BFC counterparts.

6. Workforce and capability

Attracting and keeping staff with the right skills was challenging for providers in the small communities. Most providers had some reliance on volunteers and this could be a pathway to paid employment.

Different providers had different training needs depending on the skills of their staff. 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.

Summary of findings

- 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. This was a critical challenge for rural providers.
- The provider's organisational structure and/or relationships within the community influenced how staff worked together (e.g., social workers and financial mentors); how provider staff worked with staff from other organisations; and referrals of clients between organisations.
- Most providers relied on volunteers and working for a BFC provider was often a pathway to paid employment.
- For the client, it was about connecting with the financial mentor. These connections occurred through good matches of personality or skills, or trust based on previous knowledge about the mentor.
- All BFC providers were aware of the need to have staff with the 'right cultural mix' to fit with local people in the community.

Developing staff capability:

- The quality of the training offered has improved over time with most providers valuing more recent training.
- Different providers had different training needs depending on the skills of their staff (some were strong on strengths-based approaches while others had considerable financial knowledge). Consequently, the value placed on the different training sessions varied.
- In one community, Work and Income and provider staff trained together and this was very beneficial in building a strong relationship and getting a shared view of BFC goals.
- Service providers suggested more opportunities for them to share information and learnings with each other, rather than training sessions led by FinCap or MSD.

Considerations

- Investigate different funding models to assist providers in rural and regional communities attract and retain staff.
- Despite different community profiles and cultural contexts, BFC would benefit from a consistent and wider recognition about ensuring all service providers have adequate professional development and training opportunities and strong connections with local Māori providers to ensure clients' cultural needs are prioritised and met.
- Ensure there is a variety of ongoing training available and consider ease of access for provider staff in terms of geographic distance and possible financial support for small providers.
- Provide training to develop/maintain skills identified as potentially being in short supply in the future (e.g., bankruptcy, liquidation processes).

6.1. Skills needed

Our BFC Plus report (component of the evaluation of BFC) noted that according to the BFC providers, financial mentoring lies at the intersection of budget advisory and social work domains. It emphasised the need for mentors to be empathetic, non-judgemental, and have good communication skills in addition to financial knowledge.²⁰

The strengths-based focus of BFC services puts the central lens on working in a holistic way with clients. A general view held by some of the providers was that staff were coming more from a 'social work background' rather than financial management as in the past. Those interviewed also highlighted skills in the more technical side of financial management were starting to be in short supply (e.g., taking a client through a bankruptcy or liquidation process).

6.1.1. Providers drew on skills from within their own organisations and/or through collaborating and working with other services in their community

In organisations that delivered a range of services (e.g., financial mentoring, BFC Plus, advocacy, housing, social work, parenting skills, counselling, etc.) social workers and financial mentors might work together with clients with high needs, or there was a strong internal referral process. Alternatively, staff might have an all-round skill set (e.g., combination of social work and financial knowledge) and offer a wrap-around service as part of their caseload.

²⁰ Building Financial Capability Plus, Malatest International, March 2018.

6.1.2. From the client's perspective it was all about the person not the service

A core skill of an effective financial mentor was the ability to build a trusting and supportive relationship with their client. When considered from the client's perspective, it was clear it was all about the financial mentor, not necessarily about the nature of the service. This was particularly evident in one community. When a staff member moved to another BFC service provider many of the clients also moved so they could continue to work with the same person.

Individual staff members built a reputation in the community for the way they worked, and word-of-mouth was strong especially in small communities. The financial mentor's reputation could be based on:

- The way they operated
... straightforward, direct, tells us exactly what our options are and doesn't try to sugar coat anything. (BFC client)
- Being known and trusted from other interactions
So [mentor] has been here a long time. He's a trusted figure in the community, and one of our more interesting families came to visit ... And you know, she's mob... and there was a situation we needed to resolve, and she's perfectly able to sit down and go, I know these people. (BFC provider)
- Or a match based on the provider's skill and client's need.
They don't just help you with budgeting advice, they're there for you at all times. Night times, weekends, anything at all – if you've got a real problem, they'll come and sort it with you. (BFC client)

6.2. Attracting and retaining staff

The ability of the providers to attract and retain staff varied across the different communities due to the nature of the community settings as well as the providers themselves.

For instance, some of the Porirua providers said they had no problems attracting staff – people asked them for jobs – and few people left unless they were retiring. This said, all agreed that staff were not there for the money and sometimes retaining management-level staff was more difficult, especially the *right people who have a passion for the work*.

Attracting and retaining staff in rural areas appeared to be more challenging and the inability of providers to be able to pay competitive rates compared to those in urban areas was an impediment. In Central Otago, low pay rates were compounded by a housing shortage.

Labour market is going nuts down here and it's very competitive in the field. Retention is hard due to competition, also challenging in forecasting demographics for the area, it's

growing very rapidly down here. Some NGOs will struggle to survive as their operating costs are increasing significantly and they may not be able to afford to stay. The demand on social workers is huge. Call for that skill is very tight, and the provider is not the only NGO in that place seeking those skills. Going forward it's going to be challenging. (Work and Income staff)

There were also challenges in employing staff in the Bay of Plenty communities. One provider noted they were unable to pay their trainees and they constantly worried they would lose them if they found better paid employment. Providing financial recognition was critical to retain qualified and skilled people to deliver quality services. One solution to staff shortages was to draw on volunteers.

6.2.1. Most providers had some reliance on volunteers who may do different tasks than paid staff. Volunteering was a pathway to paid employment for some people.

Most BFC providers (and non-BFC providers) relied on volunteers to help deliver their services. For some, volunteering offered a pathway to become a paid employee in the future. For instance, one provider had three volunteers who were currently being trained as financial mentors. They were not being paid and were not looking for payment. However, the provider noted:

If we want to keep people who are qualified, we need to recognise this and pay them. (Provider)

In one community, a new staff member was mentioned as a success story by both Work and Income and the provider. She had moved from being a client to becoming a volunteer and was receiving training and supervision with the goal of becoming a paid financial mentor. This person had already made a significant difference for the provider as she had both a cultural (Māori) connection with the community and could empathise with those in hardship.

However, discussions with the providers indicated they thought carefully about the role of volunteers and the types of tasks where they could make the biggest impact for the organisation. That is, they differentiated work between paid coordinators and volunteers.

What paid staff do is not something that you could expect of a volunteer because there's a lot of add on services with the intensity and the type of clients that we work with, um you can't expect a volunteer to go here, there and everywhere (Provider)

The other challenges around volunteers included being cautious due to health and safety reasons.

... last time [coordinator] was in Work and Income there was a gang fight. (Provider)

Finding and keeping volunteers required considerable commitment on the behalf of volunteers to do the training and on providers to keep them up-to-date with professional development.

It's not a simple job where you just walk in and pack the shelves for a couple of hours and go home. (Provider)

One of the areas identified where volunteers could make a big contribution was on handling more of the administrative side of delivering BFC services.

6.3. Cultural diversity: having staff and organisations with a good cultural fit

BFC services were delivered to diverse ethnic populations. Across the case study regions, BFC services for Māori included:

- Māori owned and led BFC providers who worked with and for Māori clients and whānau
- Māori staff working in mainstream BFC provider services
- Mainstream BFC providers working with Māori providers
- Mainstream BFC providers who had staff that participated in training on Te Tiriti O Waitangi (Treaty of Waitangi) and were now recognising the need for Māori services. As a result, one staff member within a service had been tasked with developing a bicultural policy for the organisation.

There were no Pacific-specific BFC providers but those in regions with high Pacific populations noted that they:

- Had Pacific staff who were confident in working with Pacific clients
- Were currently scoping opportunities for cultural supervision.

We understand working with the different cultures, the pressures that they face in terms of sending money back home to the family in donations and all that sort of stuff. So it's really working with them and what they see as a priority. There are sometimes language barriers, but we find ways to work with them. There's Language Line and often clients will have an app on their phone that we can use. Just because we're not the same culture doesn't mean we can't work with them. (BFC provider)

Evidence from the health and social service sectors shows that Māori and Pacific services are successful in identifying and meeting community, whānau/aiga, and individual needs in ways that mainstream services cannot. However, the diversity of BFC services and recognition of need for Māori and Pacific clients, although dependent on regional contexts, implied a need for further training to ensure that all BFC providers, FinCap and key stakeholders:

- Are cognisant of the importance of culturally-specific and grounded Māori and Pacific providers and services
- Ensure non-Māori/Pacific BFC providers have adequate plans in place to deliver culturally-responsive services, staff, professional development and training.

As noted by one provider:

For us, since we've started this programme, it's been awesome. We've had pretty much hundred percent turn up because it's a relaxing environment and we feed them... It's the cultural content too, we start with karakia, and we try and keep it in the Māori focus and that's made a huge difference. It's not only for Māori, but we've got other ethnicities and they feel comfortable. (BFC Māori provider)

6.4. Training to prepare the workforce to deliver BFC

There was no clarity in our discussions with providers and Work and Income staff about who had delivered the initial training – MSD or FinCap.

6.4.1. Feedback on quality, timing and usefulness of the initial training was variable

Many providers felt the first series of training was rushed in its preparation with insufficient time for the content to be fully prepared and appropriate facilitators in place.

The technical training was not good so we ended up doing our own. One option was to do it by correspondence, but it was outdated material of the Federation. The other option was of having a trainer but those trainers were ones that didn't get BFC contracts – it was not appropriate, there was some nastiness and viciousness to our staff. (Provider)

Judgements about the quality and value of the training seemed to depend on the provider organisation and the dominant skillset of their staff. For example, some staff found the strengths-based training valuable and they liked learning about the differences in two approaches (strengths-based versus budget advice).

Strengths-based one was really good. By the time we did the programme, they had delivered it a few times so had it pretty sussed. (BFC provider)

This was further highlighted by one provider who noted that:

... when the budgeters and the social services people were lumped together there were gaps in understanding for both sides. (Provider)

Conversely, some providers were using strengths-based approaches in the delivery of their services prior to BFC funding. When told they had to do strengths-based training they felt it was a waste of staff time as the level and quality of the training was not as good as what they already offered their staff.

It was hard to go and be told to do what you are already doing. (BFC provider).

Strengths-based training was like teaching these guys how to suck eggs. I was sitting there thinking, well actually, what our staff need to learn to do is around the budgeting side of it – about learning about debt consolidation, budget worksheets, schedules. So, the technical side of it, really. (BFC Provider)

In some instances, providers saw training as an opportunity to support current staff to transition from budget advisory or money management roles to using the strengths-based approach of BFC and/or to train new staff.

It's basically her changing her mindset and that transition from budgeting services. (BFC provider)

6.4.2. Work and Income staff suggested their training for BFC came mostly in the form of information from MSD

Opportunities to take part in workshops varied from region to region. One regional manager was unsure how much had been “soaked up by staff” and he was aware of differences between the local Work and Income service centres in how they had operationalised BFC services. According to some Work and Income staff they received very little, if any, BFC training.

I think to be honest with you we've seen very little change from what was happening before BFC came in because we don't have all of the functions that other areas might have. And when it rolled out it was so Mickey Mouse. So I think they should have given us appropriate training, even [BFC provider] was coming here saying 'so what are we doing, what happens'.

6.4.3. Joint training sessions helped build relationships and communication

Work and Income managers and staff, as well as the provider, considered the joint training sessions in Central Otago very successful.

Work and Income at regional level have included providers in their staff training workshops so everyone is getting the same information about BFC. That's also been important in establishing working relationships between providers and Work and Income. We looked at what is needed for each site and then got providers in at a local level. The main focus has been on learning who to refer to for what. (WI, CO)

Joint training was raised by one of the other community providers as an ideal way to get everyone on the same page.

6.4.4. The quality and perceived value of the training improved over time

There was general agreement by providers and Work and Income staff that the quality of the training had improved. Specifically, the post-tender training was considered excellent with opportunities for genuine conversation, and to come together with Work and Income and others to identify gaps and look at what might be necessary moving forward. Some of the providers mentioned they were only now seeking training for MoneyMates.

7. Continuous improvement

Providers in all three communities identified data collection systems to monitor the progress of BFC services, ongoing training, and hui to share learnings as key areas for continuous improvement.

Summary of findings

- Effective strategies for continuous improvement are important to build Work and Income and providers' understanding of BFC services.
- Providers used a range of systems to collect and monitor data to inform continuous improvement. FinCap data collection and reporting system, Client Voices, was not used by all providers and double handling of data in organisations was common.
- Providers and Work and Income were keen for ongoing training to feed into continuous improvement of BFC.
- Regional hui provided opportunities for sharing information but did not adequately provide opportunities for shared learning or district-level discussions.

Considerations

- Systems for collecting and monitoring data and information require review and refinement. The focus of continuous improvement should be on helping providers and Work and Income set up monitoring systems and tools to feed into understanding their effectiveness in the future.
- Shared learning spaces at regional and national levels would improve information sharing and contribute to continuous improvement.

7.1. The communities were working at different speeds in building an understanding of BFC

A key goal of our interviews with the providers (both BFC- and non-BFC-funded), Work and Income, and other community stakeholders, was to understand what differences BFC services had made to the communities and what was needed for continuous improvement.

From the providers' perspectives, the implementation of BFC had led to changes in the way services were delivered (e.g., a greater focus on helping clients to manage and take control of their money, educating and supporting clients to understand their spending habits and make informed financial decisions) and ensuring staff capability and capacity to meet the changed focus.

However, in most instances the implementation of BFC had made little change to Work and Income practices in the communities. Although new guidelines were in place, many staff were not clear how these differed to how the system worked before the move to BFC.

I don't know that it has made any difference to us... (Work and Income staff)

We had similar budget process before BFC. That's not different to what we're doing now... just more work. (Work and Income staff)

7.2. Feedback about outcomes for clients was an important aspect of continuous improvement for Work and Income staff

Work and Income staff referral and monitoring systems were a barrier to information sharing about BFC clients.

We should be able to have some kind of sharing tool because we have lots of joined up services with people... it's still really cumbersome. (Work and Income staff)

Feedback about client outcomes for Work and Income staff rested almost entirely on the local relationships between the provider and Work and Income staff.

In Central Otago, regular communication (both formal and informal) meant Work and Income and the BFC provider shared information at the time of referral and learned about outcomes. This appeared to be the result of the joint training sessions between the BFC provider and Work and Income, which contributed to a shared understanding of BFC goals, a strong working relationship where information and issues were shared on a regular basis, and tools and systems were being adapted to work smoothly.

In Porirua and Eastern Bay of Plenty, Work and Income staff received little or no feedback from providers about the progress of clients they had referred. Work and Income staff said their only measure of success was not seeing the clients coming back seeking further hardship grants. They also used this measure to make a judgement about the skill of the provider.

Monitoring client progress was also difficult for providers. Interviews with both the providers and Work and Income staff raised several issues about monitoring client progress:

- The internal systems used to monitor clients' progress differed across BFC providers. Some were using Client Voices while others used their own organisation's systems.
- Organisations received funding for multiple services from different sources with many clients receiving more than one service type. Some providers had different data capture systems leading to double-handling of data or refining

their systems to record and track clients across the range of internal services they provide.

We should be able to have some kind of sharing tool, because we have lots of joined up services with people, and it's just still really cumbersome. (Provider)

- There was an inconsistent use of tools among providers; for example, some providers have adopted the BFC check-in evaluation forms, while others gather client narratives via staff prior to six-monthly reporting.

7.3. Moving toward continuous improvement

Integrated and wrap-around services for clients require information sharing systems to make data for each service and client easily accessible to measure progress and provide easy reporting mechanisms for different contractual arrangements.

Across the case study communities, Work and Income and BFC providers were still in the process of setting up systems to move toward continuous improvement.

A stronger focus was needed on developing a system to provide feedback to Work and Income staff. For instance, some Work and Income staff noted that internal IT systems within Work and Income were not set up to record simple and accessible referral and monitoring information.

It's ridiculously administratively heavy...earlier this year maybe they invented in our client management systems (CMS), a client note where you write your BFC diary blog...when you have a client come in for hardship number twelve, finding their history of BFC is so hard. (Work and Income staff)

7.3.1. Developing Client Voices is an important opportunity to provide information for continuous improvement

Collecting data to monitor change and assess the effectiveness of BFC products is also vital for continuous improvement. FinCap inherited Client Voices from the NZFFBS and is working to redevelop it to provide better information for providers to contribute to continuous development, and better information for MSD to inform the development of policy and service delivery.

An earlier request by MSD for identifiable individual client-level data remained an ongoing concern for some providers. They were concerned about how the data they entered into Client Voices would be used and this resulted in resistance to implementing and using shared data recording systems.

I've got a real concern, and we in this organisation have a real concern about, well, where is this information going, and what's it being used for? ... why do you need the date of birth of the youngest child? Or even know there are any children? The purpose is to build financial capability of that client when they come to us, and we're there, and they don't even want to know how that is achieved or if it's achieved. (BFC provider)

Some providers identified a need for training about Client Voices.

There are differences (in data collection methods) across providers – those who have Client Voices will be different to us. We want to be compatible with our database. Currently our database for youth services is quite separate to database rest of staff use. So, staff are double-handling. Really needs to be interfaced or cut and paste to make it easier so (staff) isn't having to go to two different databases to fill in the information. (BFC provider)

7.3.2. Providers and Work and Income staff welcome ongoing training opportunities

A key underpinning component for continuous improvement is the opportunity for training. Training also provides an opportunity to build a shared understanding, shift perspectives and share knowledge, which all feed into continuous improvement. Most providers and Work and Income staff were unsure about future training opportunities.

Ideas to continue to improve training included:

- An increased focus on joint training for Work and Income staff and providers at local and regional levels
- Increased training opportunities including training for provider staff on the use of Client Voices
- Considering paying people for their time to participate in the training.

Pay people to be there, it's really challenging. As a manager I make it a priority, because I think learning and connecting is very important and if you attend a joint training, you're doing more than just going there for training. You're connecting with peers and helping develop community relationships. There's all sorts of things that are happening even though you're going there for the common goal to learn whatever it is to learn. But if you've gotta pay someone to be there and you've got no money to pay them, what are you gonna do? (BFC provider)

7.3.3. Providers wanted more opportunities to share learning about what did and did not work across the system

Systems and tools had been adapted at the local level to suit local conditions and working relationships. Often this was done to solve a problem or overcome something that was not working well. Other providers in other communities may have the same challenges. Opportunities to share what has been learned are important for innovation and continuous improvement across the system. Many providers thought the change to BFC had led to a reduction in their ability to share learning.

We used to have district meetings with the Federation and could put issues forward to the regional meetings. With the Federation, we were able to do this – we could meet with other budget advisors to talk about what they needed help with. They could be like conference calls especially in small communities 'cause it's hard to travel. (BFC provider)

One provider was concerned that at forums they had attended there was no space for the BFC-funded providers to come together and share their knowledge and experiences, because these forums had included a broad, general range of financial services.

Where is the space for BFC funded services to come together and share their knowledge and experience – to have space for peer-learning opportunities? It's hard to do innovation without these opportunities. There's not much opportunity to exchange other experiences with other services under BFC – just opportunity for Trust to distribute information. (BFC Provider)

Regional hui were recognised as a way of developing and maintaining communication with provider networks. However, given the extent of information covered at various hui, providers noted little opportunity to incorporate sessions for shared learning, peer support and learning among providers at the district level (inclusive of breakout streams for supervisors, coordinators, and others). These types of hui could include a mix of approaches including peer-learning – sessions led by providers on particular topics drawing on their skills and expertise. This could align with ongoing training needs and move away from the perception of 'imparting information from the top down'.

8. Governance and management – national to local and back again

Summary of findings

MSD leadership

- Leadership of BFC services was provided by MSD through the BFC team.
- Perceptions about the quality and value of communication about BFC varied depending on the interviewees' roles within the system.

The National Building Financial Capability Trust

- The Trust was funded by MSD to provide sector leadership. Historically the communities had access to budgeting advice and other financial services coordinated by the New Zealand Federation of Family Budgeting Services (NZFFBS). Providers were aware of the change from the Federation to the Trust.
- Feedback from providers about the Trust was mixed and in some instances a lack of clarity about its role still exists.

Communication

- One of the biggest advantages of the BFC system was the central point within MSD national office and the Trust. However, information flow through to frontline staff varied.

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.
- Considerable time was spent travelling in rural areas which did not always fit well with the funding model.

Considerations

- 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).
- Review aspects of the funding model especially accounting for travel time in rural areas.

8.1. The Ministry of Social Development

8.1.1. The national office had driven the change from budget advisory services to building financial capability services

MSD led the redesign (through a co-design process) of budgeting services to the roll-out of BFC services. The aim of the changes was to better meet the needs of New Zealanders and build financial resilience amongst those experiencing hardship. An interim BFC steering group was formed to assist the establishment of a new national entity for service providers and to partner with the wider BFC sector (The Trust – see section 8.2 below). The membership of the Steering Group included the four BFC sector umbrella groups, the Commission for Financial Capability, the Ministry of Social Development and Māori and Pacific representation.

There was clarity from the providers we interviewed that BFC was driven from the national level, funding was allocated by MSD and their contract was with MSD.

... prefer to work just with MSD because that's who our contract is with. (Provider)

... not always in the loop on the national level. (Provider)

This noted, the focus for this component of the evaluation was on the conditions that impact delivery and outcomes at the local level. The interface in governance between the national, regional and local levels is clearly important, for instance

At the moment BFC is being run from a centralised system, which is good at the beginning, but you also need a regional or district approach which could easily be brought in through three-monthly meetings at regional level. (Provider)

8.1.2. The Partnering for Outcomes advisors' role was to monitor BFC contracts and they had good knowledge about the providers and services delivered

The Partnering for Outcomes advisors were part of Oranga Tamariki and were key informants at the commencement of the community case studies evaluation. They had extensive knowledge about the providers, what had occurred at the community level during the procurement and roll-out of BFC services and the challenges and opportunities within each of their communities. The advisors had a regional-level view and were able to compare communities across their region. Part of their role was to undertake regular audits which included speaking with a few clients from each provider.

However, there appeared to be a lack of interaction between the Partnering for Outcomes advisors and Work and Income regional directors and in some cases, Work and Income local service centre managers.

8.1.3. Work and Income was the face of BFC at the local level

Three levels Work and Income's management structure had a role in coordinating and delivering BFC services in the communities. The regional directors, similar to