

Table 2). Pacific clients, Asian clients, engaged clients (3+ sessions), high-need and high-need/engaged clients showed the greatest improvements. While there was positive change for one-off clients, the difference between baseline and final assessments was smaller than for those who engaged for a longer period of time.

**Table 2. Baseline and final ratings with the average change for clients with different characteristics for COMT question 1 (basic needs and obligations)**

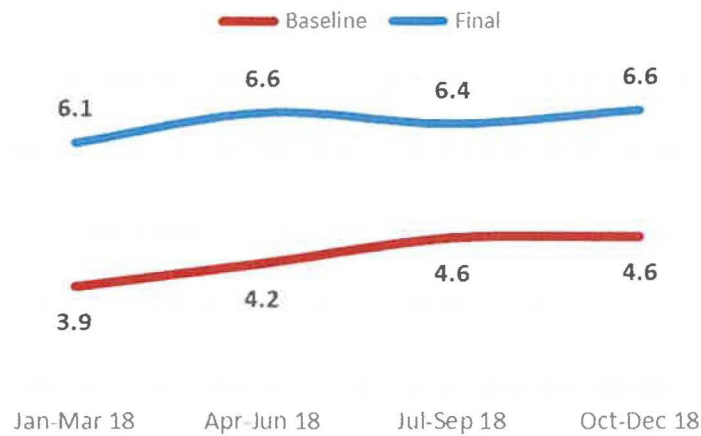
Client group	Baseline	Final	Change
All closed clients	4.7	6.6	2.0
Beneficiaries	4.6	6.5	1.9
Māori	4.8	6.7	1.9
Pacific	4.1	6.6	2.5
Asian	4.4	7.3	2.9
One-off	5.0	6.2	1.2
Engaged	4.5	6.9	2.4
High-need	1.9	5.6	3.6
High-need and engaged	1.8	6.0	4.2
High-need and one-off	1.7	4.1	2.4

## 6.2. Control of debt

The second COMT question asks how in control clients feel of their debt on a scale from 1 to 10, where 10 is the most positive score. Around half (54%) of clients had ratings of 4 or below at entry, suggesting a high level of need.

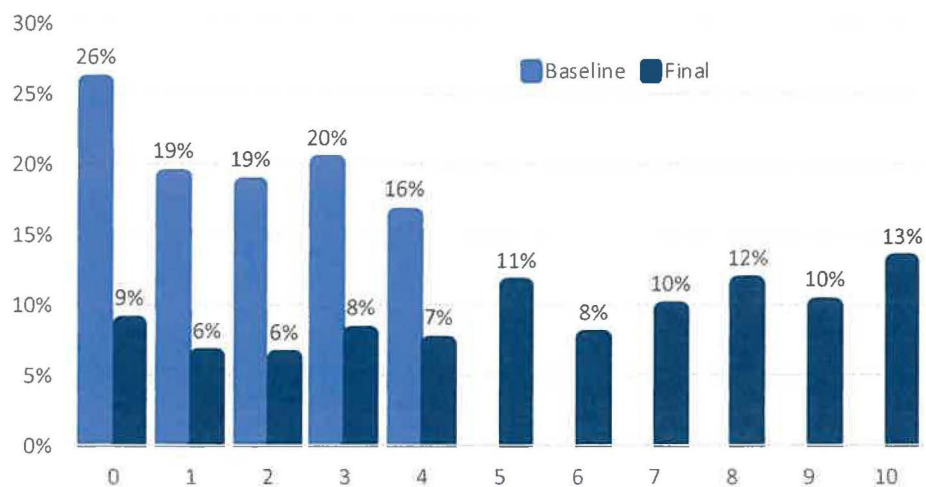
Results for all closed clients with at least two completed assessments showed improvement from 4.2 to 6.5 across the 2018 calendar year. Overall, 2,590 clients (63%) improved, 1,023 (25%) stayed the same and 526 (13%) decreased.

The size of the average improvement was consistent quarter to quarter (Figure 17).



**Figure 17. How much control clients feel they have on their debt from their COMT ratings (n = 4,691)**

Nearly two-thirds of those who had a low rating (0-4) at baseline had improved their ratings to 5 or above (Figure 18).



**Figure 18. Baseline and final COMT ratings for clients with a low rating (0-4) at the time of their baseline assessment.**

Comparison of results across different groups of clients showed the same results as for meeting needs and basic obligations (Table 3). Pacific clients, engaged clients (3+ sessions), high-need and high-need/engaged clients showed the greatest improvements. While there was positive change for one-off clients, the difference between baseline and final assessments was smaller than for those who engaged for a longer.

**Table 3. Baseline and final ratings with the average change for clients with different characteristics for COMT question 2 (feel in control of debt)**

Client group	Baseline	Final	Change
All closed clients	4.2	6.5	2.3
Beneficiaries	4.4	6.4	2.0
Māori	4.4	6.5	2.1
Pacific	4.1	6.6	2.5
Asian	4.1	7.4	3.3
One-off	4.5	5.9	1.3
Engaged	4.1	6.9	2.8
High-need	1.8	5.6	3.7
High-need and engaged	1.8	6.2	4.4
High-need and one-off	1.6	4.2	2.6

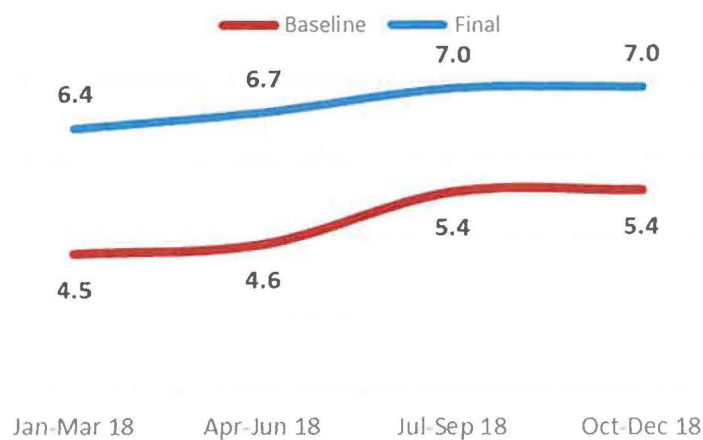
### **6.3. Confidently manage finances**

The third COMT question asks clients how confident they are to manage their finances on a scale from 1 to 10, where 10 is the most positive score. Around half (46%) of clients had ratings of 4 or below at entry, suggesting a high level of need.

Results for all closed clients with at least two completed assessments showed improvement from 4.7 to 6.7 across the 2018 calendar year. Overall, 2,535 clients (61%) improved, 1,066 (26%) stayed the same and 564 (14%) decreased.

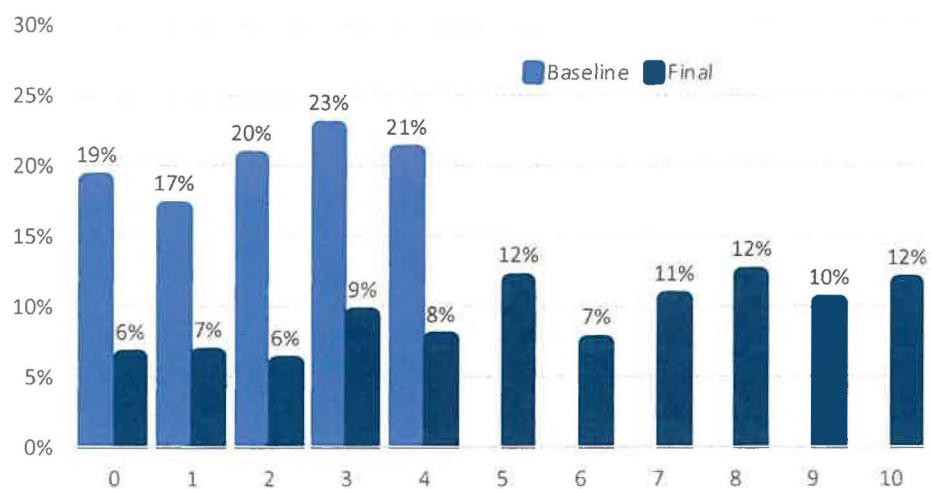
The size of the average improvement was consistent quarter to quarter (Figure 19).





**Figure 19. How confident clients were in managing their finances from their COMT ratings (n = 4,691)**

Nearly two-thirds (64%) of those who had a low COMT rating (0-4) at baseline had improved their ratings to 5 or above (Figure 20).



**Figure 20. Baseline and final COMT ratings for clients with a low rating (0-4) at the time of their baseline assessment.**

Results were consistent with the other questions, highlighting Asian and Pacific clients along with engaged clients (3+ sessions), high-need and high-need/engaged clients (Table 4).

**Table 4. Baseline and final ratings with the average change for clients with different characteristics for COMT question 3 (confidence in managing finances)**

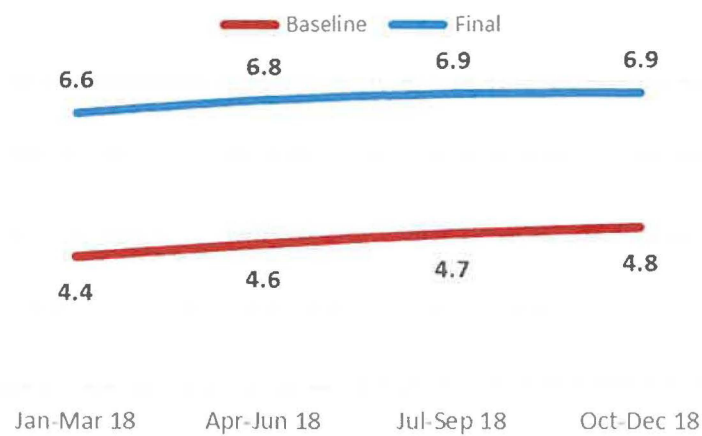
Client group	Baseline	Final	Change
All closed clients	4.7	6.7	2.0
Beneficiaries	4.9	6.6	1.7
Māori	4.8	6.7	1.9
Pacific	4.5	6.8	2.3
Asian	4.3	7.5	3.2
One-off	5.1	6.3	1.1
Engaged	4.6	7.0	2.4
High-need	2.1	5.6	3.5
High-need and engaged	2.1	6.1	4.1
High-need and one-off	2.0	4.5	2.5

#### **6.4. Progress towards achieving goals**

The third COMT question asks clients whether they are making progress towards achieving their goals on a scale from 1 to 10, where 10 is the most positive score. Around half (47%) of clients had ratings of 4 or below at entry, suggesting a high level of need.

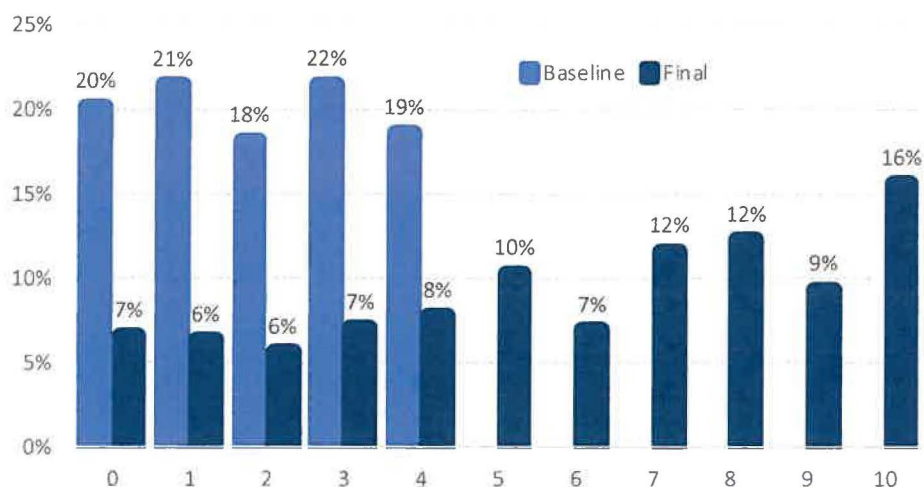
Results for all closed clients with at least two completed assessments showed improvement from 4.7 to 6.9 across the 2018 calendar year. Overall, 2,597 clients (63%) improved, 1,019 (25%) stayed the same and 508 (12%) decreased.

The size of the average improvement was consistent quarter to quarter (Figure 21).



**Figure 21. How on track are clients in achieving their goals from their COMT ratings (n = 4,124)**

Two-thirds (66%) of those who had a low COMT rating (0-4) at baseline had improved their ratings to 5 or above (Figure 22).



**Figure 22. Baseline and final ratings for clients with a low rating (0-4) at the time of their baseline assessment.**

Results were consistent with the other questions, highlighting Asian and Pacific clients along with engaged clients (3+ sessions), high-need and high-need/engaged clients (Table 5).

**Table 5. Baseline and final ratings with the average change for clients with different characteristics for COMT question 4 (progress towards achieving goals)**

Client group	Baseline	Final	Change
All closed clients	4.7	6.9	2.2
Beneficiaries	4.9	6.8	2.0
Māori	4.9	6.9	2.0
Pacific	5.0	7.4	2.4
Asian	4.4	7.7	3.3
One-off	5.0	6.2	1.2
Engaged	4.7	7.4	2.7
High-need	2.0	5.9	3.9
High-need and engaged	2.0	6.6	4.6
High-need and one-off	1.7	4.3	2.6

## 6.5. Modelling improvement in the COMT questions

As for engagement, we estimated the probability of scores improving for each question controlling for the range of characteristics recorded in Client Voices (Table 6). Extent of engagement (participating in 3+ sessions) and not being a one-off client were the strongest factors increasing the probability of improved COMT scores. Referral source also remained significant, with clients referred by other organisations (other BFC providers, banks, etc) more likely to improve for three of the four questions. Clients located in Auckland also had a higher probability of increase than those in other parts of the country.

Table 6. Linear probability model coefficients for each of the four COMT questions.

Reference category	Category	COMT questions – coefficients (standard errors)			
		Meet basic needs and obligations	In control of debt	Confidently manage finances	On track to achieve goals
Engaged for 3+ sessions	Not engaged	-0.06** (0.02)	-0.06** (0.02)	-0.04 (0.02)	-0.03 (0.02)
	Zero sessions	0.09 (0.05)	0.04 (0.05)	0.01 (0.05)	0.11* (0.05)
Not one-off	One-off	-0.18*** (0.03)	-0.19*** (0.03)	-0.16*** (0.03)	-0.20*** (0.03)
	Māori	0.03 (0.02)	0.01 (0.02)	-0.01 (0.02)	-0.01 (0.02)
New Zealand European	Pacific Peoples	0.12*** (0.03)	0.06 (0.03)	0.06 (0.04)	0.01 (0.04)
	Asian	0.12 (0.08)	0.06 (0.08)	0.11 (0.08)	0.11 (0.07)
	M/E/L/A	-0.09 (0.09)	-0.09 (0.09)	-0.07 (0.09)	-0.12 (0.09)
Salary/wage earner	Beneficiary	0.05 (0.03)	-0.01 (0.03)	-0.01 (0.03)	-0.02 (0.03)
	Other	0.00 (0.05)	-0.01 (0.05)	-0.05 (0.05)	-0.04 (0.05)
Income <\$30k	\$30-50k	0.06* (0.02)	0.03 (0.02)	0.04 (0.02)	0.04 (0.02)
	\$50-\$70k	0.03 (0.04)	0.01 (0.04)	0.01 (0.04)	-0.01 (0.04)
	\$70k+	0.07 (0.06)	0.10* (0.05)	0.08 (0.05)	0.06 (0.05)
Not in Auckland	In Auckland	0.12*** (0.03)	0.12*** (0.03)	0.12*** (0.03)	0.14*** (0.03)
One dependent	Two	-0.02 (0.04)	-0.03 (0.04)	-0.03 (0.04)	-0.04 (0.04)
	Three	-0.02 (0.04)	0.03 (0.04)	0.01 (0.04)	0.01 (0.04)
	Four or more	-0.01 (0.04)	-0.02 (0.04)	-0.03 (0.04)	-0.02 (0.04)
	None	0.01 (0.03)	0.03 (0.03)	0.04 (0.03)	-0.00 (0.03)



Reference category	Category	COMT questions – coefficients (standard errors)			
		Meet basic needs and obligations	In control of debt	Confidently manage finances	On track to achieve goals
Work and Income referral	Self-referral	0.02 (0.03)	0.03 (0.03)	0.04 (0.03)	0.05* (0.03)
	CAB referral	0.05 (0.06)	0.05 (0.06)	0.04 (0.06)	0.01 (0.06)
	Government referral	-0.08 (0.06)	0.03 (0.06)	-0.01 (0.06)	-0.03 (0.06)
	Private referral	0.09 (0.05)	0.12* (0.05)	0.11* (0.05)	0.15** (0.05)
	Other referral	0.03 (0.03)	0.07* (0.03)	0.08* (0.03)	0.06 (0.03)
Constant		0.54*** (0.05)	0.61*** (0.05)	0.57*** (0.05)	0.61*** (0.05)
Adjusted r <sup>2</sup>		0.05	0.05	0.04	0.05
N		2,337	2,327	2,335	2,309

\*p < 0.05, \*\*p<0.01, \*\*\*p<0.001

### Evaluation priorities

The analyses provided in this section are a first exploration of the COMT data to set the foundation for the final impact evaluation. Therefore, the evaluation priority is to ensure that COMT provides a robust measure of client outcomes.

Future work will consider:

- Work to increase the consistency of COMT assessments: Initiatives to promote use of COMT (for example, focusing on COMT completion as a measure of service quality and reporting on COMT results to providers through the results dashboards).
- Validity of COMT assessments: Verifying COMT assessment results through work directly with clients and comparison of COMT assessments between providers and locations beyond the Auckland vs rest of New Zealand comparison included here.
- Impact of BFC services: Use of COMT with a comparison group (for example, Work and Income clients not participating in BFC services on entry and three months later) to determine whether change over time is a result of BFC services or other factors.



**Malatest**  
International

**Evaluation overview:**

## **Evaluation of Building Financial Capability**

**Progress to July 2020**





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## 1. Evaluation overview

The Ministry of Social Development (MSD) rolled out Building Financial Capability (BFC) services in November 2016 and contracted Malatest International to evaluate the initiative. The evaluation began in late 2017 and will run for five years.

### 1.1. The objectives of the BFC services evaluation

The purpose of the evaluation is to walk alongside the BFC sector, supporting the continuous improvement of services to build the financial capability and resilience of people experiencing hardship, and to assess the effectiveness and impact of BFC services. It has four main objectives:

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

The first years of the evaluation focussed on understanding the implementation of PPS, understanding community contexts for delivery and tracking progress. A focus on outcomes is planned for the final years of the evaluation.

### 1.2. The purpose of this report

The purpose of this report is to review and synthesise the evaluation findings to the end of June 2020 and to identify priorities for the coming years.

### 1.3. Information in the report

Many of the findings in this report are summarised from standalone initiative evaluation reports produced through the BFC evaluation and analysis of data from FinCap's Client Voices.

Details of the evaluation approach and initiative evaluations are provided in Appendix 1.

**This overview is based on the information collected from:**

- Client Voices: This includes information from 33,185 clients across 148 providers who used Client Voices from January 1, 2019 to December 1, 2019. Analyses that include only information from MSD-funded providers comprise 31,884 clients across 125 providers.
- New evaluation work completed in 2019-20:
  - Evaluation of the second round of the BFC Fund
  - Formative evaluation of the Generator
  - Interviews with BFC providers and clients focused on the use of COMT and engagement.
  - A second survey of BFC provider managers.
- Evaluation activities from previous years:
  - Evaluation of BFC activities including Financial Mentors, MoneyMates, BFC Plus, MoneyMates Fund and Work and Income referral practices.
  - Community case studies of four Aotearoa New Zealand communities and the range of BFC services in their communities.
  - A workforce survey of BFC service managers and their staff.

## **2. The system**

### **2.1. Governance and management**

MSD is the agency responsible for the delivery of the BFC project. The change of focus from budget advice to building financial capability was innovative, based on evidence and a major shift for the sector. The new approach was developed by MSD leaders working closely with providers.

Regular cross-agency meetings and inclusion of other key sector stakeholders such as financial institutions and organisation are integrating BFC with other initiatives.

FinCap has an important role in sector leadership in representing the BFC providers and supporting the development of the BFC workforce. The table below summarises survey responses in 2019 and 2020 from MSD funded BFC provider managers (Table 1).



The key messages are:

- Awareness of FinCap was high at 87% and most managers considered their staff understood the purpose of FinCap.
- Attitudes about FinCap delivery of services to the sector had become more positive since 2019. The exception was views of FinCap's contribution to improving knowledge about how to deliver financial capability and budgeting services. However, ratings of the extent FinCap had created opportunities for training and workforce development had increased by 27%.
- Avenues of communication between FinCap and the sector were generally considered effective.

**Table 1. MSD funded BFC provider manager responses (Source: Provider surveys. Responses are the percentage of positive responses defined as 7-10 on a 10-point scale)**

Question	MSD Providers		
	2019*	2020*	Change
How much do you know about FinCap:1-Nothing // 10-A lot	74%	87%	13%
Our staff understand the purpose of BFC	76%	86%	10%
<b>To what extent has FinCap:1-Not at all // 10-Very much</b>			
Delivered what you expected for the sector	55%	70%	15%
Built a stronger financial capability and budgeting sector	51%	68%	17%
Improved your understanding of building financial capability and budgeting	43%	56%	13%
Increased your understanding of quality service delivery towards becoming a service of excellence	48%	52%	4%
Improved your knowledge of how to deliver financial capability and budgeting services	41%	40%	-1%
<b>What is your view on the work FinCap is doing for the sector in the following areas:1-Very poor // 10-Very good</b>			
Client Voices (Client management system)	41%	65%	24%
Advocacy for the needs of the sector with government	66%	75%	9%
Supporting communities of practice	52%	61%	9%
Developing a quality assurance framework	45%	55%	10%
Creating opportunities for training and workforce development	38%	65%	27%

## Considerations and recommendations

Analysis of information from the BFC provider staff survey currently in the field will inform training and workforce development opportunities.

### 2.2. Funding models for BFC services

The model for funding changed from a per-client to a per-session approach with the introduction of BFC. MSD later redefined the per-session model in June 2018.

Budget 20 provided additional funding to existing BFC providers with an approximate 20% rate increase for the following BFC services<sup>1</sup>:

- Financial Mentoring, one-to-one support, empowering people to achieve their goals, including reducing debt and connecting to support they may need.
- MoneyMates, peer-led support for people to learn and share together as a group.
- Building Financial Capability Plus (Kahukura service), intensive support for people who are hard to reach or with complex needs.

On average, managers reported that three quarters (74%) of their funding comes from BFC contracts. Around two out of five (38%) managers agreed that the funding for each financial mentoring session was adequate, a third (32%) agreed that the funding for each MoneyMates session was adequate, and over half (55%) agreed that funding BFC services per session was a good approach<sup>2</sup>.

### 2.3. Networks and systems

BFC services form part of local networks of services working to build financial capability for with clients with needs spanning the different domains of wellbeing. Financial issues are often intertwined with other health and social issues, particularly for higher need clients. BFC services depend on relationships with other services in their communities as sources for referrals, as well as to support clients with other challenges in their lives.

Three quarters (74%) of providers deemed FinCap's role in bringing the sector together in regional hui and communicating with providers as very useful (Table 2). The hui were an opportunity for providers to network with others in their regions<sup>3</sup>.

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<sup>1</sup> <https://www.msd.govt.nz/documents/about-msd-and-our-work/newsroom/factsheets/budget/2020/sustaining-building-financial-capability-services.pdf>

<sup>2</sup> Preliminary findings from the 2020 BFC provider manager survey.

<sup>3</sup> Preliminary findings from the 2020 BFC provider manager survey.

**Table 2. MSD funded BFC provider manager responses (Source: Provider surveys. Responses are the percentage of positive responses defined as 7-10 on a 10-point scale)**

Question	MSD Providers		
	2019*	2020*	Change
<b>How useful has each of the following avenues of communication between FinCap and the sector been for your service: 1-Not useful // 10-Very useful</b>			
Monthly newsletter	60%	70%	10%
Responding to phone enquiries	65%	70%	5%
Regional hui	65%	74%	9%

## 2.4. Workforce and capability

### 2.4.1. Changing practice with the transition to BFC

BFC clients have different needs. Some clients needed financial advice because of changed or anticipated changes in their situations. Other clients had experienced crises and had complex needs that required long-term support.

The shift from providing budget advice to building financial capability was a major change for some providers whereas others were already delivering strengths-based approaches with a focus on building client financial capability. In response to the 2020 survey, almost three-quarters of BFC service managers agreed the transition from budgeting services had strengthened the sector and 63% that they had changed the way they worked with clients (Table 3).

**Table 3. MSD funded BFC provider manager responses (Source: Provider surveys. Responses are the percentage of positive responses defined as 7-10 on a 10-point scale)**

Question	MSD Providers		
	2019*	2020*	Change
<b>To what extent do you: 1-Strongly disagree // 10-Strongly agree</b>			
The transition to BFC from budgeting services has strengthened the sector	50%	72%	22%
We changed how we work with clients since the change to BFC services	53%	63%	10%

Staff interviewed for the provider engagement study discussed the differences between budgeting and building financial capability. Budgeting was viewed as being responsive to a sole income or part of the income which ultimately made the financial journey individualistic, whereas BFC enabled wider scope to incorporate whānau needs and



aspirations. Particularly for Kaupapa Māori providers, incorporating a holistic approach and responding to collective whānau needs was important.

*Budgeting and BFC are totally different and if I could pick one programme it would be BFC. It's everything. It's a holistic approach to financial well-being and you can do it as an entire whānau or a couple, whereas a budget is legit for you, for your part of the income. (Northland volunteer)*

*Budgeting is the plaster whereas [with BFC] we want to go a bit more deeper. That's where the goals come in. Equipping them with tools, habits. It's changing their mindsets. (Auckland provider manager)*

Although practice and service delivery did not change for some providers, they mentioned that allocated funding for BFC validated their practice to an extent.

*We already had internal wrap around services and doing stuff beyond budget sheets. We already were doing Whānau Ora because our kaupapa is that. It's nothing new to us. (MidCentral provider manager)*

#### **2.4.2. The BFC workforce**

The first workforce survey in early 2019 provided an opportunity to understand the workforce delivering BFC services and their development needs. A 2020 survey of managers has been completed but the survey of BFC staff is in the field and the profile of sector staff will be updated when survey findings are available.

In response to the 2020 survey of managers of MSD funded BFC services, there was an increase from 38% in 2018 to 65% of managers who responded positively about FinCap's role in sector training.

However, there is still a need for further training opportunities. In the provider engagement interviews, providers described mixed experiences in training and development. Some had received training; however, for others it had been well over two years since provider staff had attended any training or refreshers to deliver BFC.

*Training was provided. Four workers had the training, they enjoyed it but it was a while back. That was two years ago. (Wellington provider manager)*

*My [staff] really want to have training. We'd all love to follow through with [professional development]. Even for myself I've just been chucked in... I'd love to have [training] and that's what I thought the kahukura provided so I'm not too sure. I want to know what is available for us, to get us some help and to have our volunteers certified. (Northland provider manager)*

Some providers were invited to the introductory courses by FinCap. However, some felt there was no continuity of training/support.

*I did the FMSI introduction course that they run through FinCap. (Auckland provider manager)*

*I've also been to a number of external training courses through FinCap. They have hui and we do training, they also send out literature for us. (Top of the South financial mentor)*

*It was the first time they provided training last year from Fincap. When BFC first started they had meetings, but we were often left off the emailing list. So, we got our training almost two years ago. We started delivering BFC. But we had to make it work. (Auckland financial mentor)*

Many providers had received no training at all and relied on in-house resources such as shadowing existing financial mentors and understanding the resources such as BFC booklets and pamphlets to develop staff capacity and capability.

*We are strengths based but we didn't have that budgeting training whereas other services they had training. (Auckland financial mentor)*

*[We only had training] from [provider] treasurer and chair, they went through the daily on goings of HBSI. (Auckland financial mentor)*

*Through provider manager, she taught us. If we find something that we don't understand or haven't hit before we go and get her. We would welcome any training. (Northland volunteer)*

### **Considerations and recommendations**

Analyse data on progress with training through the next iteration of the workforce survey.

## **2.5. Continuous improvement**

Continuous improvement has been an integral part of the development of rollout of BFC services. The Ministry's BFC team and FinCap consider and respond to evaluation findings. Summaries of key messages and learnings are provided to the evaluation leadership group and the implications discussed. The two iterations of the workforce survey have been developed to contribute to continuous improvement.

Data collection infrastructure is an essential aspect of delivery as it provides the foundation for monitoring, evaluation and continuous improvement. FinCap has re-developed Client Voices with the new version about to be implemented.

Discussions with FinCap and providers have helped develop provider results dashboards on an ongoing basis to reflect providers' use of Client Voices more accurately. Summary dashboards continue to be well received and consistency of data collection is improving as providers understanding of the Client Voices system improves. There was an increase of 24% (from 41% in 2019 to 65% in 2020) in the proportion of provider managers who were positive about Client Voices.

### **Considerations and recommendations**

It is important that FinCap and MSD ensure that the dashboards are redeveloped following the implementation of the new version of Client Voices.

It will be important to use Client Voices data to track the impacts of COVID-19 as in response to the survey BFC managers reported changes in clients profiles and increased demand.



### 3. How clients are supported by BFC

#### 3.1. Work and Income practices

Since the 2019 workforce survey, Work and Income has implemented a range of systemic and practice changes to improve the way it works with BFC providers. Work and Income case managers are no longer required to refer clients to budgeting services after six hardship grants within a twelve-month period. As a result, nationally, Work and Income referrals have reduced and accounted for 17% of new clients for BFC services in Q4 2019. This change may be reflected in the slight increase in the proportion of managers who stated that the clients who are referred from Work and Income are appropriate for their service.

**Table 4. MSD funded BFC provider manager responses (Source: Provider surveys. Responses are the percentage of positive responses defined as 7-10 on a 10-point scale)**

Question	MSD Providers		
	2019*	2020*	Change
<b>To what extent do you:1-Strongly disagree // 10-Strongly agree</b>			
My organisation has a good working relationship with Work and Income	66%	72%	6%
The clients who are referred to us from Work and Income are appropriate for our service	66%	71%	5%
The clients who are referred to us from Work and Income understand their Work and Income entitlements	33%	55%	22%

Analysis of Client Voices data in the second BFC evaluation overview report showed clients referred from Work and Income were less likely to be engaged (i.e. attend 3+ sessions) compared to self-referrals and other referral sources. Updated analysis found no significant difference in likelihood to engage between clients referred by Work and Income and clients referred from other sources. Clients who self-referred remained significantly more likely to engage.

#### Considerations and recommendations

Continue to use Client Voices data on engagement by client referral source to monitor engagement of clients referred from different sources.

### 3.2. Financial mentors

Financial mentoring has been the focus of BFC providers. The BFC provider manager survey reflected increased recognition of the value of financial capability building. In describing their services<sup>4</sup>, providers focused on the clients they successfully engaged in longer-term financial capability building.

The one-on-one approach is most familiar for providers and is seen as the core of financial mentoring and comprising:

- **Stage 1: Listening:** Financial mentors earn the trust of clients before they can begin working with them by showing they understand the clients' situations, empathising with the challenges they face and being non-judgemental and supportive.
- **Stage 2: Planning:** Clients work with providers to resolve immediate crises, assess needs and form a plan that can be revised on an ongoing basis.
- **Stage 3: Building:** Financial mentors meet semi-regularly to build client confidence and capability, working towards positive outcomes and to make sure their budgets are still working and that clients remain on track.
- **Stage 4: Exiting:** Once clients have achieved their goals their financial mentors evaluate the need for ongoing service under the assumption that clients are welcome to return if they find themselves experiencing hardship again.

Financial mentors supported clients towards achieving financial behaviour changes by enabling client capability, increasing opportunities, and re-igniting their motivation. The way they were supported by BFC services exceeded clients' expectations of *just a budgeting [service]*.

Financial mentors supported clients' psychological and physical capacity to engage in the BFC service and make financial behaviour changes through:

- **A holistic and wrap-around approach:** The focus was on the client as a 'whole person' and the factors that impacted on their wellbeing. Financial mentors viewed financial capability as part of that bigger picture. The engagement was client-led and financial mentors addressed clients' immediate needs.

*There are other pressing things that clients need straight away, [like] their residency. Some don't have a birth certificate or passport, they can't get statements, so we can't start. A lot of times we advocate for these clients. (Auckland financial mentor)*

BFC providers offering a wrap-around service were better resourced to meet the needs of clients through their in-house services such as housing, food banks/parcels, clothing, school uniforms, health care. For some social services, it was a mandatory requirement for clients to also be receiving financial mentoring.

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<sup>4</sup> In the provider engagement interviews

*Having a wrap-around service is great! Even if we have young vulnerable families, we have a Family Start team, Whānau Ora to wrap around them. (Auckland financial mentor)*

*I'm glad that I've had [financial mentor] and the Housing Unit team alongside me because I probably would be sleeping in my car with my kids. (Bay of Plenty client 2)*

- **Advocating, mediating, and empowering:** Financial mentors built relationships with external agencies and creditors to advocate for clients on their behalf. For clients this resulted in reduced payments or waived fines, *relief* and a sense of *hopefulness*.

*I was in this position and I couldn't deal with it. [Financial mentor] went into battle with me, I can't sing her praises enough. I wasn't in a good state and through what she did, she made sense of it all for me. (Auckland client 7)*

- **Listening and sharing:** Financial mentors earned clients' trust through their compassion and understanding of clients' challenges and their lived experiences. Clients described them as *friendly, supportive, non-judgemental* and *patient*.

*[Financial mentor] asked if I ever needed to talk more, we could go for coffee, just to make sure that I was doing alright which is a good support. I moved here not knowing anyone. (Top of the South client 3)*

*We are here to help [clients] so they can unload everything on us. It's not just finance, other times its other issues within the family. [Sometimes] it is not a BFC session anymore, it's about talking and listening to what's happening in their lives and building that trust. (Auckland financial mentor 1)*

- **Improving access to BFC increased client engagement:** Financial mentors went over and above their call of duty to ensure BFC services were accessible to their clients.

This included:

- **Extended availability to support clients:** Some providers worked additional *voluntary* hours to help clients.

*My phone is open to six clients because I'm scared they might do something dumb... They don't want to see counsellors, they just want to talk to someone who has been there, done that. (Auckland financial mentor 1)*

*We open on Saturdays voluntary because there are clients that need our help to reach their goals. (Auckland Provider Manager)*

- **Home visits:** For client and whānau comfort and convenience.

*Our financial mentors go into the homes and do family group sessions. They've invited their extended families, that's the other way we get their families calling us. (Auckland financial mentor 1)*

- **Organised transport for clients:** One provider mentioned having scheduled transport for clients who live further away improved access to BFC service.

*For some [clients] they stay out of the area... there's a van that comes in on Thursdays, so we try and fit [appointments] in with [that]. (Bay of Plenty financial mentor)*



- Ensuring clients understood and applied the information by simplifying jargon-laden resources and time consuming action plans.

*[Financial mentor] explains things so you can understand it. Not in Pākehā terms where they use a lot of big words and have a lot of people sitting there like what? (Bay of Plenty client 2)*

- Facilitating group sessions that suited client preferences and learning styles.

*Our Pacific clients like learning in the group... [When] we run our MoneyMates sessions we buy morning tea out of our own pockets so our clients have tea and something to eat, and also going through and photocopying as well. (Auckland financial mentor 2)*

Clients who typically attended one session were those who required:

- Access to their KiwiSaver funds as an immediate relief.

*We had an influx of accessing KiwiSaver at one stage and we never saw them again. Once they got what they wanted they were gone. (Wellington provider manager)*

*We're surrounded here with quite a bit of seasonal work. When we think about those that came in a big influx we had a big roll in of people wanting to come in and do the hardship on KiwiSaver (Northland provider manager)*

- Clients who were 'walk ins', motivated and ready to change their financial situation but only attended one session.

*We have some [clients] who earn good money but struggle with managing money, those are the ones that come ready with their statements and everything in a folder and don't need to talk about their lives, they know what they need. I like those ones, just bang, bang, bang, done. They can take the budget and run with it and we just check up on them. Very few that we get (Auckland financial mentor).*

The BFC provider manager survey included many comments about the impact of COVID-19 and increasing numbers of new clients with a different financial profile.

### **Considerations and recommendations**

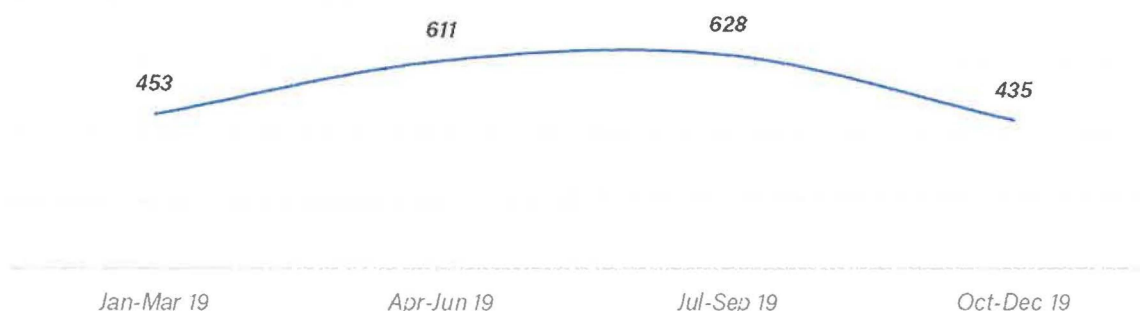
Continuing to build understanding of the strategies providers can take to successfully transition clients into longer-term financial capability building.

Examine the demands on BFC services following COVID-19, including sector capacity and responses.

### 3.3. MoneyMates

MoneyMates is based on the concept of learning, sharing and applying financial capability skills together as a group. The aim of MoneyMates is to allow participants to learn from one another by talking about money and their finances. Facilitators take participants through a series of practical financial modules that are intended to cater for the group and their specific needs. MoneyMates aims to bring people together to remove the stigma around talking about financial hardship.

MoneyMates continues to represent only a small part of the work of BFC providers. In 2019, one in ten (11%) closed clients in Client Voices had at least one MoneyMates session. The proportion of clients who had at least one MoneyMates session varied substantially from provider to provider. The number of clients closed in 2019 who had at least one MoneyMates session remained relatively constant in each quarter of the year (Figure 1).



**Figure 1. Number of closed clients who had at least one MoneyMates sessions as recorded in Client Voices (n = 18,880).**

Interviewed providers who delivered MoneyMates discussed innovative ways of how they incorporated MoneyMates into their service. Particularly for Kaupapa Māori providers it was looking at the wider picture and ways to address how MoneyMates would work in the rangatahi space.

*The MoneyMates programme, we've run a couple of programmes with the rangatahi. Other iwi have asked us to go there because they don't have financial mentoring. They approached us to ask can we be a part of their rangatahi programme and do a money mates programme there. (MidCentral provider manager)*

*We use the MoneyMates principles but give it a different name, so people don't think they are committed for eight-weeks (Christchurch provider manager)*

For the Pacific providers, MoneyMates and in general group sessions were a convenient, educational, and effective way of sharing lived experiences and solutions to financial challenges.

*[In our MoneyMates sessions] clients learn a lot. [If] our people get credit cards and use them and then game over. We teach them. We give them knowledge. (Auckland financial mentor)*