

MONEYMINDED IMPACT REPORT | KIRIBATI

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FOREWORD

ANZ is committed to improving the financial wellbeing of our people, customers and communities by helping them make the most of their money throughout their lives.

In Kiribati, this is achieved through corporate and community partnerships to deliver our flagship financial education program, MoneyMinded.

Kiribati is the most remote location in ANZ's global network, yet the island nation punches above its weight in its commitment to financial inclusion.

Last year, more than 800 people in Kiribati participated in MoneyMinded training. Whether they were seasonal workers, students, retired teachers, government staff, community members or ANZ employees, they all had one thing in common: they wanted to improve their financial wellbeing.

Melbourne's RMIT University independently surveyed some of these participants to understand how the MoneyMinded program impacted their lives. Their research found that participants felt more optimistic about their financial situation; they had more control over their money; were able to make ends meet; found it easier to pay bills; felt confident in making financial decisions; and shared information they learned in MoneyMinded with others.

I want to thank the MoneyMinded program participants who took part in this research. Your feedback helps us to further tailor the MoneyMinded program to suit local needs.

This would not be possible without our accredited MoneyMinded facilitators and ANZ staff who volunteer their time to deliver MoneyMinded. Thank you for your dedication to the program and the participants.

ANZ will continue to invest in the MoneyMinded program because we know it works. Through the MoneyMinded program, we know we can contribute to positive changes in peoples' lives and drive a savings culture across the Pacific.



Tessa Price

ANZ Regional Executive – Pacific Islands

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SUMMARY

MoneyMinded, ANZ's financial education program, has reached nearly 600,000 people across the Asia Pacific region since 2002. The program has played an important role in strengthening the financial capabilities of individuals, households and communities. Last year, 803 people in Kiribati participated in MoneyMinded in 2018. The participants included seasonal workers, students, retired teachers, community members, higher education employees, fruit pickers, government staff and their wives, finance workers and ANZ staff.

This report provides evidence that shows how MoneyMinded has improved the financial wellbeing of Kiribati participants. Following are the key results of participant outcomes after completing MoneyMinded.

The results are based upon 63 survey interviews conducted with participants on South Tarawa in Kiribati in December 2018. Over half the research participants were women (63 per cent); 72 per cent were paid employees; 50 per cent earned less than \$5,000 per annum.

To have financial wellbeing means being able to meet financial commitments and manage day-to-day, being able to feel financially comfortable to make choices that allow you to enjoy life and having financial resilience for the future including being able to cope with unexpected expenses.

The behaviours and attitudes associated with financial wellbeing are: saving, planning, financial confidence, spending restraint and future orientation.

Seventy-seven per cent of participants reported that MoneyMinded improved their financial wellbeing. The financial wellbeing score of research participants improved from 31 prior to completing MoneyMinded to 67 out of 100 at the time of the survey.¹

MEETING COMMITMENTS

- After doing MoneyMinded 90 per cent were able to make ends meet compared to 26 per cent before MoneyMinded.
- 82 per cent found it easier to pay bills after MoneyMinded compared to 12 per cent before MoneyMinded.
- 90 per cent felt they had more control over their money compared to 16 per cent before MoneyMinded

TO HAVE FINANCIAL WELLBEING MEANS BEING ABLE TO MEET FINANCIAL COMMITMENTS AND MANAGE DAY-TO-DAY, BEING ABLE TO FEEL FINANCIALLY COMFORTABLE TO MAKE CHOICES THAT ALLOW YOU TO ENJOY LIFE AND HAVING FINANCIAL RESILIENCE FOR THE FUTURE INCLUDING BEING ABLE TO COPE WITH UNEXPECTED EXPENSES.

FEELING FINANCIAL COMFORTABLE

- 40 per cent of participants had money left over after paying for necessities compared to 20 per cent before doing MoneyMinded.
- 92 per cent felt more optimistic about their financial situations after doing MoneyMinded compared to 10 per cent before MoneyMinded.
- 55 per cent felt their finances allowed them to do the things they wanted such as help family and enjoy life compared to 33 per cent before MoneyMinded.

FINANCIAL RESILIENCE

- 35 per cent had savings for unexpected expenses after MoneyMinded compared to 10 per cent before MoneyMinded.
- After MoneyMinded 88 per cent had saved at least one month's income and 45 per cent had between 1- and 3-months income saved.

CHANGED BEHAVIOURS & ATTITUDES

- 96 per cent of participants reported a saving habit after doing MoneyMinded including 20 per cent who became regular savers. Before MoneyMinded 78 per cent of participants were unable to save.
- Before MoneyMinded only 2 per cent kept their money in a bank account, 42 per cent kept money close to them and hidden. After MoneyMinded, 40 per cent kept their money in a bank account.

¹ Based on the Kempson et al., (2017) financial wellbeing scale.

1.0 INTRODUCTION

- After MoneyMinded 98 per cent of participants cut back on their weekly or monthly spending to help them save compared to 24 per cent of participants before MoneyMinded.
- 97 per cent were able to plan ahead compared to 35 per cent before MoneyMinded.
- 95 per cent had set a financial goal to achieve in the following 12 months compared to 28 per cent before MoneyMinded.
- 92 per cent felt confident in making financial decisions after MoneyMinded compared to 15 per cent before doing the program.
- 80 per cent of participants felt better able to manage their family's financial requests after doing MoneyMinded compared to 17 per cent before MoneyMinded.

PERSONAL WELLBEING AND COMMUNITY OUTCOMES

After MoneyMinded

- 87 per cent of participants shared information they learned in MoneyMinded with others.
- 90 per cent felt more connected to the community.
- 100 per cent felt better able to provide for their families.
- 87 per cent were less stressed about the future.

This report provides the results of an evaluation of MoneyMinded, ANZ's financial education program, conducted in Kiribati in 2017 and 2018. MoneyMinded commenced in Australia in 2002 and since 2010, ANZ has invested in the delivery of MoneyMinded across Asia Pacific with significant success in helping individuals and households improve their financial capabilities, reach financial goals and build resilience (University of the South Pacific, 2018).

2.0 ABOUT KIRIBATI

The Republic of Kiribati is a group of 32 atolls and a raised coral island in the Pacific Ocean comprising three island groups: the Gilbert Islands, Phoenix Islands and the Line Islands. These islands are spread over an ocean area of 3.5 million square kilometres. Twenty-three of these islands are inhabited with a total 2018 estimated population of 120,100 people (Pacific Community, 2018). Half of the population live on the Tarawa Atoll (part of the Gilbert Islands).

Kiribati is one of the world's most remote countries. There are many economic challenges that arise from the physical characteristics of Kiribati. Infrastructure development and delivery of services are extremely difficult due to the remoteness and widespread locations of the Kiribati islands. One of the largest threats to Kiribati is climate change making it vulnerable to rising sea levels.

FIGURE 1. MAP OF KIRIBATI



Image source: http://www.climate.gov.ki/about-kiribati/map_kiribati/

The financial life of a typical household in South Tarawa (DFAT, 2014, p.7)

A household with 7 family members (4 adults, 3 children) would need more than a combined weekly income of \$165 to make ends meet.

Food: \$80-\$100 including two bags of rice, one bag of sugar, chicken / fish every second day.

Church contributions: the family would give at least 10 per cent of their income as well as food contributions at church events.

Transport: \$27 approximately for public transport to get to school or work for about 3 out of 7 members of the household.

Other: this only leaves about \$32 for the household to cover education, healthcare, utilities, recreation, social and loan obligations.

The financial challenges faced by I-Kiribati makes it critically important that international assistance includes development opportunities to strengthen the financial capacities of communities. In March 2019, the United Nations Pacific Financial Inclusion Programme (PFIP) announced that it would expand MoneyMinded to reach more than 5,000 I-Kiribati.² Along with education, employment, health and gender equality initiatives, strengthening the financial capabilities of Kiribati communities will help to promote wellbeing outcomes for I-Kiribati.

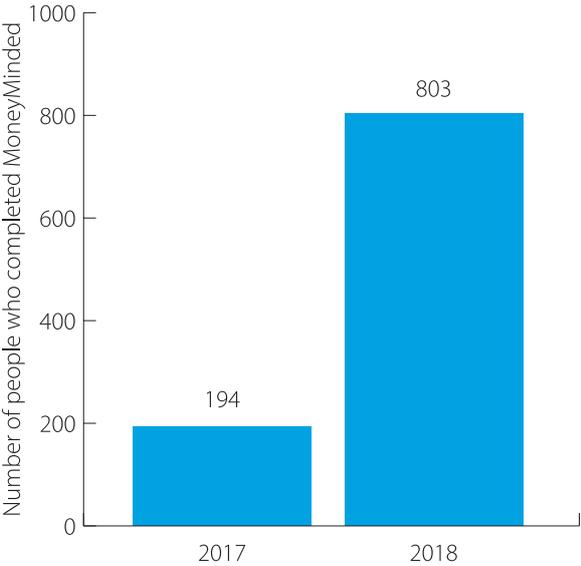
² <http://www.pfip.org/newsroom/press-releases/2019-2/financial-literacy-programme-reach-kiribati-new-financial-services-pipeline/>

3.0 MONEYMINDED IN KIRIBATI

In 2018, MoneyMinded was completed by 803 people in Kiribati.³ This was a three-fold increase from 2017 when 194 people completed MoneyMinded, half of whom were women. Thirty MoneyMinded programs were delivered in 2018. The participants included seasonal workers, students, retired teachers, community members, higher education employees, fruit pickers, government staff and their wives, finance workers and ANZ staff.

The program was usually conducted as a one-day workshop with topics including ‘planning for the future’, ‘making money last until pay day’, ‘needs and wants’, ‘budgeting’ and ‘assertiveness & learning to say “no”’. At the completion of the workshop, participants are encouraged to commit to action which is a critical component of a successful financial education program. Financial knowledge on its own contributes little to financial wellbeing but when the knowledge becomes action it then has potential to improve people’s financial situations.

FINANCIAL KNOWLEDGE ON ITS OWN CONTRIBUTES LITTLE TO FINANCIAL WELLBEING BUT WHEN THE KNOWLEDGE BECOMES ACTION IT THEN HAS POTENTIAL TO IMPROVE PEOPLE’S FINANCIAL SITUATIONS.



³ Based on MoneyMinded attendance data collected by ANZ Pacific.

4.0 RESEARCH METHOD AND SURVEY PARTICIPANTS

The research is based on data from a survey conducted with MoneyMinded participants in South Tarawa who on average had completed the program about 5 months prior (minimum was 1 month, maximum 17 months). The survey instrument was developed by RMIT and included an adaptation of the validated financial wellbeing scale developed by Kempson, Finney, and Poppe (2017). This scale has been previously used to measure levels of financial wellbeing in Australia and New Zealand (ANZ, 2018a, 2018b) and for specific cohorts such as older Australians (Russell, Kutin, Stewart, & Cai, 2018) and Saver Plus participants (Russell, Kutin, & Stewart, 2018). The survey also included items specific to the MoneyMinded content.

An independent researcher based in Fiji travelled to Kiribati in January 2019 to conduct the face-to-face survey interviews with people who had participated in MoneyMinded during 2017 – 2018. A total of 63 survey forms were completed. Of the respondents, 12 completed the program between August and November 2017; 51 completed the program between June and December 2018. Respondents included 17 community members, 14 government employees, 12 ANZ MoneyMinded facilitators, 7 ANZ staff, 6 people from non-government organisations, and 7 people employed in the private sector. The surveys were returned to RMIT University in Melbourne for analysis.

Of the 63 research participants:

- 63% were women
- 78% were aged between 20 and 49 years
- 49% had completed forms 5, 6 or 7 at secondary school
- 73% were married
- The average household size was 10, comprising 6 adults and 4 children
- Respondents worked in teaching, training, technical or administrative roles
- 75% earned income from wages and salary
- 50% earned less than AUD\$5000 per year
- 46% said their income was regular each month
- 53% made day-to-day financial decisions jointly with their partner or spouse.

TABLE 1. PERSONAL AND HOUSEHOLD CHARACTERISTICS (N = 63)

Characteristics		Per cent %
Gender	Male	37
	Female	63
Age	20-29	21
	30-39	33
	40-49	24
	50-59	14
	60-69	8
Highest level of education completed	Primary school	16
	Junior secondary	9
	Secondary (form 5 & 6)	33
	Secondary (form 7)	16
	Technical institute	8
	University	18
Marital status	Married or engaged	73
	De facto	5
	Divorced/separated	5
	Widowed	5
	Single	12
Number of children under 18 years in household	1	11
	2	15
	3	26
	4	11
	5	16
	6 to 8	21
Number of adults in household (not including participant)	1	8
	2	8
	3	10
	4	16
	5	19
	6	11
	7 to 11	28

Characteristics		Per cent %
Person responsible for day-to-day financial decisions	You	25
	You and your partner/spouse together	53
	Your partner/spouse	6
	You and another family member	10
	Another family member	6

TABLE 2. INCOME AND EMPLOYMENT CHARACTERISTICS (N = 63)

Income or employment		Per cent %
Work situation	Paid employee (government sector)	30
	Paid employee (private sector)	29
	Paid employee (NGO/church sector)	13
	Producing goods for sale	19
	Subsistence	2
	Other work	2
	Unemployed	5
Work type (n = 60)	Teaching or training	25
	Technical or administrative staff	23
	Sale of goods or produce	12
	Service worker	8
	Community service	5
	Shop and market sales worker	5
	Sales and marketing	3
	Off-shore or seasonal worker ⁴	2
	Other type of work	17

Income or employment		Per cent %
Source of income (can select more than one and therefore column total does not add up to 100%)	Wages and salaries	75
	Home produce sales	33
	Subsistence activity	11
	Agriculture and fish sales	6
	Self-employment	3
	Remittances and gifts	2
	Casual jobs	2
	Welfare allowance	2
	Imputed rent	2
	Other income	11
Annual household income	less than \$5,000	50
	\$5,000 to \$9,999	13
	\$10,000 to \$14,999	24
	\$15,000 to \$19,999	6
	\$20,000 to \$29,999	5
\$30,000 to \$39,999	2	
Income is regular each month	Yes	46
	No	43
	Don't know	11

4.1 FINANCIAL SITUATION OF MONEYMINDED PARTICIPANTS

From the research data and the national statistics, it is clear that many people living in Kiribati experience financial hardship and stress (UNDP Pacific Centre, 2010). We used a measure of financial stress to report the financial difficulties the survey participants experienced in the year prior to the survey (Australian Bureau of Statistics, 2016). We also added an additional item 'Could not give money to the church' as it is an important custom in Kiribati for people to be able to donate to their local church.

⁴ Earnings by seafarers and seasonal workers make a significant contribution to the Kiribati economy, however only one person in the evaluation worked in this field.

FIGURE 2. INDICATORS OF FINANCIAL HARDSHIP EXPERIENCED IN THE LAST 12 MONTHS
Participants were able to select more than one answer

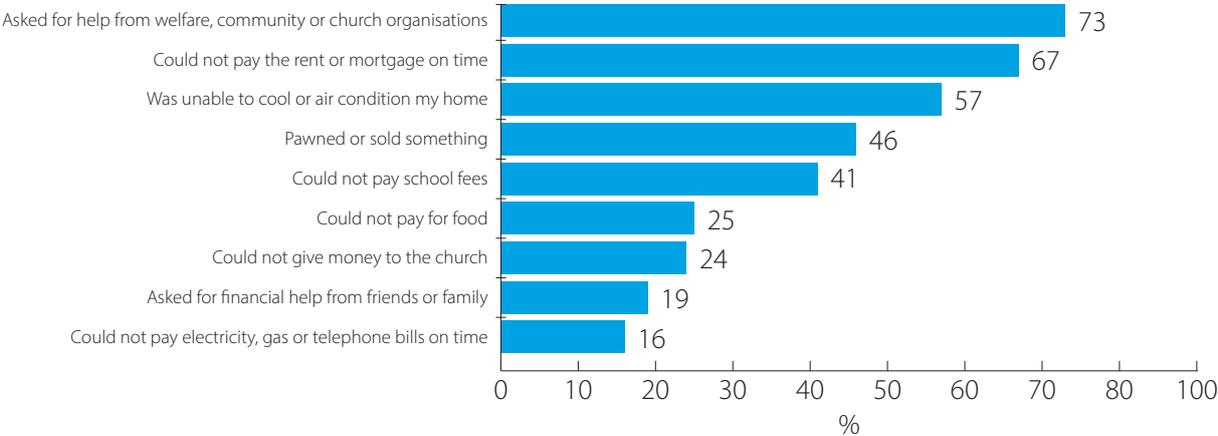


Figure 2 shows that 73 per cent of participants had not been able to pay a utility bill on time (in the previous 12 months) due to a shortage of money: 67 per cent had asked for help from friends and family and 57 per cent could not give money to the church because of a shortage of money: 46 per cent of participants did not have enough money to pay for food.

In combining the number of financial stressors experienced in the previous 12 months we found that 20 per cent of participants experienced 'No financial stress' (one or no indicators reported). 'Moderate stress' (two to four stress indicators) was reported by 40 per cent of participants and 'High stress' by the remaining 40 per cent of participants (five to all nine indicators).

5.0 CHANGING FINANCIAL BEHAVIOURS

MoneyMinded aims to strengthen participants' financial knowledge, skills and capabilities that contribute to financial wellbeing. We know from international research that the financial behaviours and attitudes most important to financial wellbeing are: active saving, not borrowing for everyday expenses, confidence in money management skills and people's belief in their ability to influence their own financial future. These behaviours and attitudes can help an individual to meet their financial commitments, feel financially comfortable and to build resilience for the future (ANZ, 2018a; Kempson et al., 2017).

The survey measured changes in participants' money management behaviours and attitudes from before to after completing MoneyMinded. We also measured participants' financial wellbeing and asked for their views on the effect MoneyMinded has had on their financial wellbeing.

Other financial behaviours that can influence financial wellbeing in countries such as Kiribati include: keeping money safe (by using bank accounts) and judicious sharing of household resources with other family members and community groups.

5.1 PLANNING AND SETTING GOALS

Planning, budgeting and setting goals are important topics in the MoneyMinded workshops. Creating a budget to manage income and expenses helps individuals to avoid running out of money before their next income payment is due. It also helps in knowing how much money can be put away for savings and the future.

MoneyMinded helped participants to improve their planning and money management behaviour. After completing MoneyMinded, participants were more organised with managing their money. Before the program, only 13 per cent of participants reported being financially organised and after the program 92 per cent reported being organised with their money management. Before MoneyMinded 23 per cent of participants knew how much money they needed for their daily expenses and after MoneyMinded 92 per cent were aware of their daily living costs.

Meeting day-to-day expenses involves being able to make ends meet, paying bills on time and feeling in control of one's finances. Before MoneyMinded 26 per cent of participants reported being able to make ends meet and after MoneyMinded 90 per cent were able to. Similarly, before MoneyMinded only 32 per cent said they paid their bills on time, whereas after MoneyMinded this increased to 92 per cent. Before MoneyMinded 16 per cent of participants felt they had control over their finances and after the program 90 per cent of participants felt they had control.

TABLE 3. MEETING DAY-TO-DAY EXPENSES (% AGREE OR STRONGLY AGREE)

	Before	After	Change
I am organised with regards to managing my money	13%	92%	↑ 79%
I feel I have control over my finances	16%	90%	↑ 74%
I know how much I need for my daily living expenses	23%	92%	↑ 69%
I am able to make ends meet	26%	90%	↑ 64%
I pay my bills on time	32%	92%	↑ 60%

Planning for the future and setting goals are important to financial wellbeing. In the Pacific region, facilitators use a 'vision board' to help participants bring their financial goals to 'life'. The vision board is a powerful tool for participants and has consistently been reported as an activity that has helped to activate their learning. Participants in Kiribati reported that they were more likely to make financial plans after completing MoneyMinded compared to before MoneyMinded: 97 per cent were able to plan ahead after doing MoneyMinded compared to 35 per cent before the program: 95 per cent had set a financial goal to achieve in the following 12 months compared to 28 per cent before MoneyMinded.

TABLE 4. FINANCIAL GOALS AND PLANS (% AGREE OR STRONGLY AGREE)

	Before	After	Change
I have a financial goal to achieve in the next 12 months	28%	95%	↑ 67%
I am able to plan ahead	35%	97%	↑ 62%
I set longer term financial goals and strive to achieve them	26%	93%	↑ 67%

5.2 SPENDING RESTRAINT

Spending restraint is a strong indicator of financial wellbeing. Attitudes and behaviours associated with spending restraint are being less impulsive, thinking carefully before purchasing something and cutting back where possible on weekly or monthly spending.

Following MoneyMinded, participants were more likely to cut back on their spending to help them save (98 per cent compared to 24 per cent before MoneyMinded) and 93 per cent were also taking the time to consider whether their next purchase was something they could afford compared to 28 per cent before MoneyMinded.

TABLE 5. SPENDING RESTRAINT (% AGREE OR STRONGLY AGREE)

	Before	After	Change
I cut back on my weekly or monthly spend in order to save	24%	98%	↑ 74%
Before I buy something I carefully consider whether I can afford it	28%	93%	↑ 65%

5.3 FINANCIAL CONFIDENCE

Having confidence in managing one's finances contributes to financial wellbeing. Confidence leads to actions and actions build confidence. Confidence comes from having the right knowledge, experience in using it and knowing where to find resources when making financial decisions. In the Pacific and in other collective societies, confidence also includes knowing how to manage the expectations of family members when they seek financial help. MoneyMinded in the Pacific also covers the difficult issue of dealing with requests for money from family members. Participants reported an increase in confidence in being able to say 'no' when they could not afford to help their family or friends. Eighty per cent of participants felt better able to manage their families requests after doing MoneyMinded compared to 17 per cent before MoneyMinded.

MoneyMinded participants reported increased levels of confidence after completing the program when they reflected on how they felt when making financial decisions, dealing with financial problems and thinking about the future. Ninety-two per cent felt confident in making financial decisions after MoneyMinded compared to 15 per cent before doing the program. Before MoneyMinded only 25 per cent felt able to deal with financial problems compared to 93 per cent after the program.

CONFIDENCE COMES FROM HAVING THE RIGHT KNOWLEDGE, EXPERIENCE IN USING IT AND KNOWING WHERE TO FIND RESOURCES WHEN MAKING FINANCIAL DECISIONS.

TABLE 6. CONFIDENCE IN FINANCIAL DECISION MAKING (% AGREE OR STRONGLY AGREE)

	Before	After	Change
I believe the way I manage my finances affects my future	38%	92%	↑ 54%
I feel confident about making financial decisions	15%	92%	↑ 77%
I am able to deal with financial problems	25%	93%	↑ 68%
I feel confident saying 'no' when family members ask for money and I am not able to help	17%	80%	↑ 63%

5.4 ACTIVE SAVING

Saving behaviour has been found to be the most important financial behaviour that contributes to financial wellbeing (ANZ, 2018a; Kempson et al., 2017). Developing a saving habit can help to cultivate other behaviours and attitudes that promote financial wellbeing. For example, it increases confidence, promotes future orientation, helps to achieve financial goals and builds resilience for the future.

There was a significant increase in the proportion of participants who were able to save their money after completing MoneyMinded and also an increase in the amount of savings they have. Prior to completing MoneyMinded, 78 per cent of participants reported that they were unable to save. After MoneyMinded, 96 per cent reported some degree of a saving habit including 20 per cent who became regular savers.

DEVELOPING A SAVING HABIT CAN HELP TO CULTIVATE OTHER BEHAVIOURS AND ATTITUDES THAT PROMOTE FINANCIAL WELLBEING.

TABLE 7. CHANGE IN SAVINGS BEHAVIOUR

	Before	After	Change
I save a set amount on a regular basis	4%	20%	↑ 16%
I save what is left over after expenses on a regular basis	2%	42%	↑ 40%
I save odd amounts when I can	16%	34%	↑ 18%
I am unable to save	78%	4%	↓ 74%
TOTAL	100%	100%	

Forty-seven participants provided estimates of how much they had in savings before and after MoneyMinded. The median amount in savings prior to MoneyMinded was \$0. After MoneyMinded the median savings level was \$50.

5.5 KEEPING MONEY SAFE

A significant issue in any society and household is keeping money safe. Kiribati has high levels of financial exclusion due to limited physical access to financial institutions and services (Department of Foreign Affairs and Trade, 2014) and lower levels of financial literacy and confidence in engaging with the formal financial sector.

The MoneyMinded program provides participants with options on ways to keep money safe. Prior to MoneyMinded a very small number of participants kept their money in a bank account (2 per cent) and most people 'kept their money close to them and hidden' (42 per cent). After MoneyMinded 40 per cent of participants were keeping their money in a bank account but 25 per cent were still keeping their money near them and hidden.

TABLE 8. KEEPING MONEY SAFE (%)

	Before	After	Change
Deposit in a bank account	2%	40%	↑ 38%
Deposit in a savings group	4%	4%	-
Keep it somewhere close to me and hidden	42%	25%	↓ 17%
Give it to someone else to look after	13%	8%	↓ 5%
Hide it in or near my home	6%	2%	↓ 4%
Other	33%	21%	↓ 12%
TOTAL	100%	100%	

6.0 PERSONAL WELLBEING AND COMMUNITY OUTCOMES

MoneyMinded has a positive impact not only on participants, but for participants' families, friends and their communities. Most participants (87 per cent) reported sharing the information they learned in the workshops with others. All participants reported increased levels of

confidence and felt they were better able to provide for their family. The majority of participants reported decreased stress (87 per cent), 90 per cent felt more connected to the community and 92 per cent learned a lot from other participants in the program.

FIGURE 3. WELLBEING OUTCOMES FOR PARTICIPANTS



7.0 FINANCIAL WELLBEING IN KIRIBATI

Financial wellbeing is more than just having financial knowledge and the ability to implement that knowledge. It is a combined psychological and financial state whereby people feel satisfied or content with their financial lives. The major components of financial wellbeing are: being able to meet financial commitments, feeling financially comfortable and able to enjoy life, and having financial security or financial resilience for the future. (Kempson & Poppe, 2018).

Financial wellbeing is of course influenced by a variety of factors, some of which are outside the control of individuals. The social, cultural and economic conditions in which people live have a significant impact on the financial behaviours and outcomes of individuals and households. In Kiribati along with other collective societies, culture plays a strong role in determining people's attitudes towards money. The cultural expectations around the use of money within a household and in the community need to be considered in the design and delivery of financial education programs. MoneyMinded, when delivered in the Pacific includes a useful component to help participants manage the financial expectations of family and community within the cultural context of each country.

We used two methods to measure financial wellbeing: 1) the Kempson et al. (2017) scale of 11 items; and 2) participants' self-rating of financial wellbeing. We also asked participants an open-ended question 'What does financial wellbeing mean to you?'

The Kempson et al. (2017) financial wellbeing scale has been adopted by ANZ in their national survey in Australia (ANZ, 2018a), in New Zealand (ANZ, 2018b), for older Australians (Russell, Kutin, Stewart, et al., 2018) and in a sample of Saver Plus⁵ participants (Russell, Kutin, & Stewart, 2018). The scores have been scaled from 0 to 100. A score of 100 represents the highest level of financial wellbeing.

For this report, we adapted the scale to suit the Kiribati context.⁶ The sample size is also very small⁷ so comparing scores of the Kiribati sample with other financial wellbeing results should be done with caution.

**THE MAJOR COMPONENTS OF FINANCIAL WELLBEING ARE: BEING ABLE TO MEET FINANCIAL COMMITMENTS, FEELING FINANCIALLY COMFORTABLE AND ABLE TO ENJOY LIFE, AND HAVING FINANCIAL SECURITY OR FINANCIAL RESILIENCE FOR THE FUTURE.
(KEMPSON & POPPE, 2018).**

7.1 FINANCIAL WELLBEING SCORES

Overall, the average financial wellbeing scores improved significantly from participants' retrospective assessment of their financial wellbeing levels before doing MoneyMinded compared to the time of the survey, after MoneyMinded. Before MoneyMinded, we calculated their average financial wellbeing score to be 31 out of 100. After MoneyMinded their average score increased to 67. There is clearly a large improvement in the participants' abilities to manage their income sustainably and adopt behaviours that contribute to financial wellbeing. The extent of the difference however may also reflect the high level of enthusiasm for MoneyMinded, its impact on their financial lives and the desire for the program to continue. Studies that measure knowledge, behaviours and attitudes towards topics such as money can sometimes be influenced by what is known as 'socially desirable responses' (Kelly, 2015) which can potentially over (or under)-estimate results of surveys that use self-reported responses (de Vaus, 2014; Krosnick, 1999). We recommend caution in interpreting the change in financial wellbeing scores from 31 to 67.

⁵ Saver Plus is ANZ's saving and financial education program <https://www.anz.com.au/promo/saver-plus-program/>

⁶ Changes made to the scale are available on request.

⁷ 51 participants completed all questions in the scale.

TABLE 9. FINANCIAL WELLBEING SCORES FOR KIRIBATI MONEYMINDED PARTICIPANTS

Kiribati MoneyMinded participants (N = 51)	Meeting commitments	Feeling financially comfortable	Financial resilience	Total financial wellbeing score
Before MoneyMinded	34	36	24	31
After MoneyMinded	75	73	55	67

Given the variability in scores for the subscales and the small sample size, no statistically significant change was found between the before and after subscale scores. There was however evidence of a positive trend in each of the subscales. Following is a summary of the indicators within each of the subscales: meeting commitments, feeling financially comfortable and having financial resilience.

When participants were asked to indicate the effect MoneyMinded had on their financial wellbeing, 77 per cent of participants said that MoneyMinded had a 'very positive' or 'positive' effect on their financial wellbeing.

7.2 MEETING COMMITMENTS

Fifty-three per cent of participants would often run short of money for food and other regular expenses before doing MoneyMinded whereas after MoneyMinded only 10 per cent reported running out of money.

Before MoneyMinded, only 12 per cent of participants found it easy to pay bills and other financial commitments and after MoneyMinded 82 per cent found it easy.

Similarly, before MoneyMinded 41 per cent of participants 'often' or 'very often' were unable to pay bills or other financial commitments at the final reminder because of a lack of money. After MoneyMinded this figure reduced to 8 per cent.

7.3 FEELING FINANCIALLY COMFORTABLE

Before MoneyMinded, 20 per cent of participants would 'often' or 'very often' have some money left over after paying for necessities whereas after MoneyMinded 40 per cent reported having some money left.

When asked how they viewed their household financial situation, only 10 per cent of participants reported it to be 'good' before the program (no one said it was 'very good'). After MoneyMinded 92 per cent of participants viewed their financial situations optimistically ('good' or 'very good'). Furthermore, 92 per cent felt confident about their financial situations for the 12 months following the time of the survey (compared to 21 per cent prior to the program).

Fifty-five per cent of participants felt that after doing MoneyMinded they were more able to do the things they wanted such as helping family and enjoying life compared to 33 per cent feeling this way before the program.⁸

Nearly all participants (96 per cent) felt more in control of their money after doing MoneyMinded compared to only 18 per cent feeling in control before doing the program.

⁸ Not a statistically significant change.

**HAVING FINANCIAL RESILIENCE
MEANS BEING ABLE TO COPE WITH
A FINANCIAL SHOCK SUCH AS AN
UNEXPECTED LARGE EXPENSE WITHOUT
SUFFERING FINANCIAL HARDSHIP OR
GOING INTO DEBT
(ANZ, 2018A; KEMPSON ET AL., 2017).**

7.4 FINANCIAL RESILIENCE

Having financial resilience means being able to cope with a financial shock such as an unexpected large expense without suffering financial hardship or going into debt (ANZ, 2018a; Kempson et al., 2017). In societies such as Kiribati where there are high levels of social connectedness and sharing of resources, there is already to a large extent a foundation of financial resilience that is not enjoyed in many western cultures where individualism dominates. The role of culture in financial wellbeing needs to be further explored to better understand how it relates to financial resilience and the management of individual and household money. From the indicators in the survey, there is evidence that MoneyMinded participants have improved their financial resilience by increasing their saving behaviour.

Before MoneyMinded only 10 per cent of participants felt they would have enough money to pay for an unexpected expense equivalent to a month's income. After MoneyMinded 35 per cent of participants felt they had saved enough to cope with such an expense.

Before MoneyMinded 45 per cent of participants said they would need to borrow money from the bank, family, friends or use a credit card to meet an unexpected expense of a month's income. After MoneyMinded this figure dropped to 12 per cent.

Participants reportedly had increased their savings since doing MoneyMinded which has helped to strengthen their financial resilience. Before MoneyMinded, 88 per cent of participants reported that they had 'none or up to one month's' worth of income in savings. After MoneyMinded, 12 per cent of participants had up to one month's worth of income in savings, 45 per cent had 1 to 3 month's worth, 24 per cent had 3 to 6 month's, and 19 per cent had more than 6 month's worth of income in savings.

7.5 WHAT DOES FINANCIAL WELLBEING MEAN TO KIRIBATI PARTICIPANTS?

When participants were asked what financial wellbeing meant to them, the majority described it as being able to manage their day-to-day finances, being able to budget, not running out of cash, being able to save and to provide for their family.

“FINANCIAL WELLBEING’ MEANS BEING ABLE TO MEET MY FAMILY NEEDS AND COMMITMENTS.”

“FINANCIAL WELLBEING, FROM MY OWN PERSPECTIVE, MEANS THE ABILITY TO MEET YOUR DAILY NEEDS AS WELL AS CATER FOR UNEXPECTED EVENTS REQUIRING THE USE OF MONEY. I FEEL THAT THIS IS VERY IMPORTANT BUT I STILL HAVE TO TRY AND WORK IN EARNING FROM OTHER SOURCES SO TO SAVE MORE AND BE THERE.”

“I FEEL MORE SECURE FINANCIALLY AND SURVIVE UP TO NEXT PAYDAY AND FEEL RELAXED AS I KNOW I HAVE SURPLUS CASH TO SAVE.”

“I WANT TO SAVE MONEY IN THE BANK FOR MY CHILDREN.”

“I THINK OF THOSE WHO HAVE A LOT OF MONEY IN THEIR SAVINGS. I ALWAYS HAD THE FEELING THAT THEY ARE BETTER COMPARED TO US. BUT THE QUESTION I ASK MYSELF IS HOW DO THEY GET THERE. HOW CAN THEY SAVE THAT AMOUNT OF MONEY? ANYWAY, THAT’S ME. I GUESS I AM TRYING TO REACH OR WORKING TO BECOME ONE OF THOSE PEOPLE WHO HAVE A LOT OF MONEY IN THEIR ACCOUNT.”

7.6 BARRIERS TO ACHIEVING FINANCIAL WELLBEING

We asked participants what barriers they faced in achieving financial wellbeing. These responses were coded into three categories: personal financial behaviours (9 participants), economic issues (6 participants) and family and community financial obligations (14 participants). Economic factors included low or no income, increased cost of housing materials and unexpected expenses. Individual financial behaviours such as using credit for purchases, spending money easily, being unable to cut down on extra expenses and irregular budgeting were also mentioned.

Family and community financial commitments were identified as a barrier to achieving financial wellbeing. Participants found it difficult to deal with ‘begging from family members’, bubuti,⁹ and financial contributions to the church.

⁹ Bubuti is a system of collective wealth redistribution that is practiced in Kiribati. See Borovnik (2005), https://en.wikipedia.org/wiki/Culture_of_Kiribati#Bubuti_system and <http://savekiribati.com/bubuti.php>.

However it is important to note that the economic wellbeing of communities is often dependent upon shared income and resources (Borovnik, 2005) and as mentioned previously, it does provide a level of financial resilience for households within the community.

The US Consumer Financial Protection Bureau (CFPB, 2015) include in their measure of financial wellbeing an item that addresses gift giving. We thought for the context of Kiribati, this was a useful item to include in the survey. There was a positive trend in the change in the proportion of participants who would find it less of a financial strain to provide gifts after doing MoneyMinded although the change wasn't statistically significant. Perhaps this is because gift giving in cultures such as Kiribati is viewed as a necessity and perhaps prioritised over other expenses, whereas in the western cultures, gift giving is considered to be an optional expense.

TABLE 10. GIVING A GIFT FOR A WEDDING, BIRTHDAY OR OTHER OCCASION WOULD PUT A STRAIN ON MY FINANCES (SMALL % CHANGES WERE NOT SIGNIFICANT)

	Before	After	Change
Strongly agree	18	26	↑ 8%
Agree	24	30	↑ 6%
Neither agree nor disagree	13	18	↑ 5%
Disagree	20	15	↓ 5%
Strongly disagree	25	11	↓ 14%
Total	100	100	

8.0 CASE STUDIES

MONEYMINDED HAS CHANGED THE WAY I THINK ABOUT MONEY

For Joseph*, MoneyMinded did more than help him improve his budgeting skills. The program gave Joseph a new perspective and attitude towards money - a fundamental change that will have a long-lasting effect on the financial future for him and his family.

Joseph and his wife have two sons, aged 6 and 8 and although he works in a government job which provides a steady income, before doing MoneyMinded he often found it difficult to make his income last until his next pay. If there were unexpected expenses this would be very stressful for Joseph and his family. Sometimes Joseph would need to buy his lunch on credit and borrow from family or friends to make ends meet. Joseph said he never had long-term goals and he lamented that even celebrations for his son's birthday were always planned last minute.

Joseph enjoyed every MoneyMinded session finding them not only interesting but very helpful. He said of the 'visioning' activity:

“IT TRIGGERED MY MIND IN THE FIRST PLACE AS IT GAVE ME A BIG LESSON TO ALWAYS HAVE VISION WITH MY MONEY. IT WAS ABOUT IMAGINATION WHICH WILL PROVIDE A CLEAR MOTIVATION AND DIRECTION ON HOW TO SPEND MY MONEY INTELLIGENTLY. IT GAVE ME A SENSE OF OWNERSHIP TO MY MONEY AS WELL.”

Creating and using a budget has helped Joseph meet his family's needs by knowing what is important to spend money on and to have money left over for unforeseen circumstances. Joseph said that his spending behaviour has totally changed since doing MoneyMinded.

Joseph has already been teaching his sons to save. He gave his sons money boxes and “whenever they do good, I will put some coins and dollars in their money box.” After two months his son opened his money box and they were surprised to see there was almost \$100 saved.

Joseph and his wife now have a longer-term goal – to save for a family trip to New Zealand. He said that the program has really improved their financial wellbeing.

“WE ARE NOW ABLE TO REACH THE NEXT PAYDAY AND AT THE SAME TIME AND AMAZINGLY WE ARE NOW LIVING PEACEFULLY.”

Joseph recognised that not being able to make ends meet caused a lot of stress within the family and now his changed financial behaviours have helped to reduce this stress.

LEARNING TO SAVE AND BUDGET FOR DAY TO DAY EXPENSES

Rose* lives with her husband and two children, a son aged 21 and a daughter aged 7. Rose and her husband are both unemployed although her husband is a fisherman and their income is from selling the fish he catches.

To Rose, celebrations are very important events. The Kiribati independence celebration held in July and Christmas are special to her and her family. Even before doing MoneyMinded, every day Rose would put \$2 into a small wooden box to save for these events. She wanted to be able to take her family to Bairiki to celebrate the national Independence Day, to be able to give her children a good time and buy treats that they would all enjoy. Rose felt the same about Christmas. In addition to these events, Rose had been saving for a long time for her son's 21st birthday.

Before doing MoneyMinded Rose said she did not understand budgeting and did not recognise the difference between needs and wants. She said that while saving for the events was important, sometimes they were not able to meet their basic needs such as buying food like sugar, rice and flour. Rose said that without understanding the difference between needs and wants she would often buy other things they didn't really need.

Doing MoneyMinded helped Rose to ensure the day-to-day costs were covered first before buying other things that weren't as important. Rose now uses a budget and has changed her spending behaviours.

* Not real names

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