



Malatest
International

Interim report:

Outcomes evaluation of the Community Finance Initiative

May 2018



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Definitions

	Term	Description
Project terms	Community Finance Initiative (CFI)	The initiative evaluated in this report.
	Community finance worker (CFW)	The frontline staff supporting clients with applications and delivering the financial conversations.
	Financial conversation	An in-depth discussion between Community Finance Workers and clients about their finances, including their incomes, debts and expenses.
Loan types	StepUP	StepUP is the name of the low interest loan component of the CFI for amounts between \$1,000 and \$5,000.
	NILS	NILS (No interest loan scheme) is the name of the no interest loan component of the CFI with loans up to a maximum value of \$1,000.
Data types	Administrative data	The data collected by Community Finance Workers for processing the loan application: loan type, loan status, loan purpose, age, ethnicity, location, contact details, employment status, income source, interview date and current debt.
	Baseline survey	A short survey filled out by participants at the beginning of their first face to face contact with a community finance worker.
	Post-CFI survey	A short survey completed two-four months after the baseline survey asking similar questions to allow outcomes analysis.
	Baseline and post-CFI analysis	When comparing the baseline and post-CFI responses only the participants who completed both surveys were included in the analysis.

Executive summary

The Community Finance Initiative

The CFI was established in 2014 to provide loans to a group of New Zealanders described as 'financially vulnerable' - meaning they did not meet standard bank criteria and had exhausted their Work and Income options. The CFI provides access to a fair and affordable line of credit as an alternative to fringe lenders, many of whom charge high interest rates and fees. It is run by Good Shepherd New Zealand and BNZ, in partnership with the Ministry of Social Development, and delivered by community partners like the Salvation Army.

CFI loans can be used for things such as purchasing or repairing a vehicle, purchasing household appliances or a computer, medical expenses, or course costs and fees.

There are two types of loan:

- No Interest Loan Scheme (NILS): Generally up to \$1,000, 12 months, no interest
- StepUP loans: \$1,000 – \$5,000, up to 36 months, 6.99% interest.

A total of 710 loans were approved to the end of December 2017, including approximately 310 NILS loans and 400 StepUP loans.

The application process involves attending a financial conversation with a Salvation Army community finance worker and completing a formal paper application with supporting evidence. Applicants must show they qualify for a Community Services Card (be a New Zealand citizen or permanent resident on a low to middle-income), have resided at their current address for more than three months and have the capacity and willingness to repay the loan.

The outcomes evaluation

This interim report describes the findings of Part One of the outcomes evaluation of CFI. Part Two (a quasi-experimental analysis of outcomes for CFI participants) is underway and being completed by Insights MSD (the Ministry's Research and Evaluation team). The final CFI evaluation reporting will combine findings from both parts of the evaluation.

This document reports evaluation findings based on baseline survey results for 324 participants, post-CFI survey results for 134 participants and 100 in-depth interviews with participants. The response rate to the post-CFI survey was relatively low, which creates the risk there was some bias in responses. All participants attended financial conversations at the Salvation Army as part of the loan process. Profiles of the evaluation participants who completed one or both surveys and/or participated in

interviews were similar, providing confidence that the evaluation findings reflect the client group as a whole.

The application process progressed beyond their financial conversation for 41% of the evaluation participants. One-quarter (25%) went on to successfully apply and be approved for loans.

About the participants

Most participants were between 18 and 54 years of age, with one-third (33%) aged between 25 and 34. Over one-third were Māori (38%). As expected based on the eligibility criteria, all participants had low incomes. The majority (71%) received Work and Income support.

CFI participants were in need of loans

Information about current debts was recorded by Salvation Army staff for 57 of the 324 evaluation participants, and showed nearly two-thirds (63%) had government debt and nearly half had debt to finance companies (46%): supporting the need for CFI.

Most participants applied for a loan to purchase (59%) or repair (10%) a vehicle. Smaller proportions used loans for computers, household appliances, education costs and other miscellaneous costs. Participants were applying for essential expenses and reported they would have had to do without if loans were not available. In some cases, not being approved for a loan would threaten retention of employment and future employment opportunities.

Participant reported their financial capability increased

Before CFI, most participants reported they were ready to make changes to improve their financial situations. The financial conversation involved an in-depth discussion of participants' finances, including their income and expenses. A few found this process challenging but most provided positive feedback, even those who did not go on to receive a loan. Reflecting on their experience in the post-CFI survey, around half (54%) said the conversations had helped them to better understand their finances and to develop budgets.

Participants reported making changes to their behaviour which may be expected to improve their financial situations over time. Changes included spending less on things they did not need (69%), paying off debt faster (46%) and/or saving more money (40%).

Comments in interviews supported these findings. Participants described benefits including having more money available for emergency costs or things they wanted, feeling more in control of their finances, paying off debts faster to save on interest

and improve credit, starting to pay off debts which had been neglected and feeling proud of changes they had made.

Although qualitative and post-CFI feedback provided evidence of positive changes for participants in financial capability (attitudes and behaviours) this was not reflected in significant differences between baseline and post-CFI quantitative measures of worry about and control of finances, life stress and confidence in managing day to day money matters. This may be because the positive changes reported by participants as a result of receiving a loan may not have been sufficient to make a measurable impact on other aspects of their quality of life, given the depth of their problems.

Participant employability and wellbeing increased, especially for those approved

Participants were very positive about the effect of the loans on their employment situations, this often related to increased access to transport. Of all participants who completed both surveys, including those who did and did not receive a loan, the proportion employed increased significantly from 30% to 40%.

Two-thirds (67%) of participants who were approved for a loan and were already employed (n = 21) reported that the loan helped them to get or stay in their current job.

Eight of the nine participants who completed the post-CFI survey and were looking for employment, received a loan for a vehicle purchase or repair considered CFI increased their employability. They thought increasing access to transport made them eligible for a wider range of employment options (for example, opening up a wider geographic area and hours of work outside those covered by public transport). Those not yet looking for work thought having a vehicle would help them when they were ready to look. Participants already employed, reported the loans helped them maintain or improve their current employment.

Increased access to transport had wider benefits for participants. Increased mobility strengthened connections with family and friends and church as well as making activities like shopping and getting to appointments easier. Participants reported these changes led to improved wellbeing and mental health for themselves and in some cases their friends and family.

Conclusion

Participants were positive about their experiences of CFI even those who were not approved for a loan. They spoke highly of Salvation Army staff and generally said they would recommend the financial conversation as well as CFI loans to people in similar situations.

Overall the evaluation findings were mixed. They provided evidence of positive changes for participants in financial capability (attitudes and behaviours),

employability and wellbeing. If maintained, the changes participants described can be expected to improve their financial situations over time.

However, statistically significant changes were not detected in comparison of the high-level baseline and post-CFI quantitative measures over the evaluation timeframe.

Taken together, the evaluation findings suggest participants benefited from CFI, developed their financial capability skills and made positive changes. However, many still experienced ongoing stress and worry due to their financial and broader life situations (for example, managing on a restricted income).

1. Background

1.1. Community Finance Initiative

Low-income families may be deemed too high risk to borrow from mainstream lenders (e.g. banks) and therefore become vulnerable to third-tier lenders (for example, 'loan sharks' or payday loan companies) which are expensive options and can contribute to debt and financial stress.

A quick search of some common payday loan companies in New Zealand suggests someone borrowing \$1,000 for a four-week period would have to pay back between \$1,340 and \$1,470 or about 1.4 times the initial amount. This figure excludes any additional fees if payments are missed or not paid in full.

Providing low-income New Zealanders with access to affordable credit can have positive outcomes for society. It can help create more sustainable and stable financial positions for the more vulnerable members of society and potentially limit some of the negative impacts of poverty.

The CFI provides loans for people described as 'financially vulnerable' – meaning they do not meet standard bank criteria and have exhausted their Work and Income options. The CFI provides access to a fair and affordable line of credit as an alternative to fringe lenders, many of whom charge high interest rates and fees. The initiative is run by Good Shepherd New Zealand and BNZ, in partnership with the Ministry of Social Development, and delivered by community partners like the Salvation Army. It is based on a similar Australian initiative.

The evaluation covers the early phase of the CFI's development which started piloting the approach with the Salvation Army at two Auckland sites. During the evaluation period, the CFI expanded to additional Salvation Army locations and saw the first of the new providers, Aviva (formerly Christchurch women's Refuge), join the programme. However, the evaluation was limited to the Salvation Army sites and involved more participants from the two more established Auckland locations.

The CFI includes two types of loan, the NILS (No Interest Loan Scheme) loan, and the StepUP loan (Table 1). A total of 710 loans were approved up to the end of December 2017, including approximately 310 NILS loans and 400 StepUP loans.

Table 1. Summary of the NILS and StepUP loans

	NILS	StepUP
Amount available	Up to \$1,000	\$1,000 to \$5,000
Interest rate	0%	6.99%
Repayment period	12 months	36 months
Credit check	Not required	Required

People must meet the following conditions to qualify for CFI:

- Qualify for a Community Services Card (i.e. be a New Zealand citizen or permanent resident on a low to middle-income¹)
- Have resided at their current address for more than three months
- Show a willingness and capacity to repay the loan².

CFI loans can be used for:

- A second-hand car (or repairs and/or maintenance to an existing vehicle)
- New household appliances such as fridges and washing machines
- A computer
- Medical expenses including dental work
- Course costs and fees³.

Loans cannot be used for cash, debt consolidation, holidays, or to pay bills.⁴ Repayments are purposefully kept low to make CFI loans more affordable.⁵ For example, repayments for a \$5,000 StepUP loan can range from \$850 a month (paid off over six months) to \$154 a month (paid off over 36 months). Community finance workers discuss repayments with applicants to make sure they are sustainable. People can apply for multiple loans through CFI as long as the total does not exceed the limit in value for each scheme and exceed their capacity to repay the loans.

¹ Work and Income. (2017). Community Services Card. <https://www.workandincome.govt.nz/products/a-z-benefits/community-services-card.html#null>

² Good Shepherd. (2017). StepUP Loan. <http://stepuploan.org.nz/>

³ Good Shepherd. (2016, August). A small loan can be a big StepUP <http://www.goodshepherd.org.nz/media/1619/stepup-dl-brochure-aug-2016.pdf>

⁴ Good Shepherd. (2017). StepUP loans. <http://www.goodshepherd.org.nz/financial-inclusion/stepup-loans/>

⁵ Good Shepherd. (2017). StepUP loans. <http://www.goodshepherd.org.nz/financial-inclusion/stepup-loans/>

People interested in applying for a loan meet with a Salvation Army community finance worker to discuss their financial situation including their incomings outgoings, any current debts/loans, and their credit history. If they are eligible, the community finance worker helps the participant complete a formal written application (NILS loans are approved by the Salvation Army and StepUP loans are approved by BNZ). Figure 1 describes the process for applying for a NILS or StepUP loan as part of the CFI.



Figure 1. Process of applying for a NILS or StepUP loan

This report uses the following terms to differentiate between the different stages of the application process:

- CFI participants: All people who at least participated in a CFI financial conversation, including those who chose not to apply, were ineligible, applied and were or were not approved.
- Approved for a loan: The sub-group of CFI participants who were approved for a loan through CFI.
- Not approved for a loan: The sub-group of CFI participants who were ineligible, chose not to apply or applied and were not approved.

1.2. Process evaluation of the CFI pilot

The 2015 process evaluation found a high demand for the CFI, a strong commitment among partners and a need for ongoing evaluation.

The process evaluation was intended to assess how well the Community Finance Initiative has been implemented and is operating in practice, in order to inform any future scaling up of such programmes. The evaluation was carried out by reviewing plans and reports from the participating organisations, and by interviewing staff, managers, and clients. It looked at how the programme model operated and at the client experience. It drew lessons of experience from the pilot for future consideration⁶.

The process evaluation concluded the CFI had been implemented as intended. While the programme had attracted considerable interest from potential participants, many were not eligible or assessed as unable to repay the loans.

Programme operation was supported by:

- A clear and agreed agenda for achieving objectives
- A system of consistent data collection for monitoring and reporting
- Mutually supporting activities and procedures in each organisation
- Continuous communication between the partner organisations.

However, implementation of the programme was hindered by high early demand beyond the capacity to provide services and the time required to adapt existing information systems to meet reporting requirements.

Elements of good practice identified from the pilot included effective reporting systems and programme policies and procedures, good coordination between partner organisations which allowed them to recognise and respond to any

⁶ David Turner Research Ltd & Impact Research NZ. (2015, 15 July). Community Finance Pilot Report. Ministry of Social Development, Wellington, NZ.

emerging issues, and the use of well trained and motivated front-line staff to work with participants.

The process evaluation found some evidence at least some participants increased their financial knowledge and skills.

1.3. Outcomes evaluation

This interim report describes the findings of Part One of the outcomes evaluation of CFI. Part Two (a quasi-experimental analysis of outcomes for CFI participants) is underway and being completed by Insights MSD (the Ministry’s Research and Evaluation team). The final CFI evaluation reporting will combine findings from both parts of the evaluation.

This part of the evaluation focuses on the outcomes for Community Finance Initiative participants. It includes all participants who received a financial conversation with a community finance worker, even if they did not go on to receive a loan. The current study was completed from June 2016 to June 2017 and used data collected from October 2016 to May 2017. During this period unemployment ranged between 5.2%-4.6% and employment rates ranged between 67.3%-66.5% as shown in Figure 2.

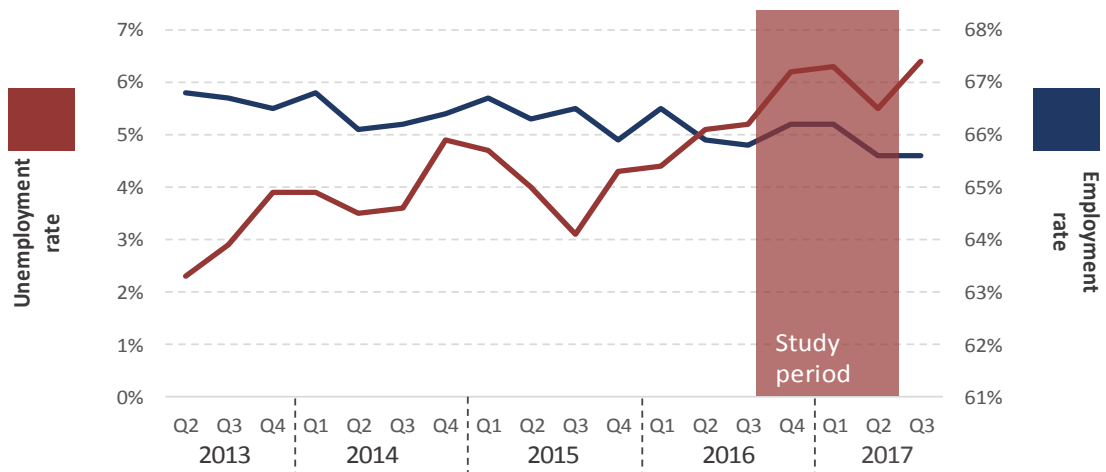


Figure 2. Employment and unemployment rates (sourced from Household Labour Force Survey)⁷

Below are the questions to be answered by the whole evaluation programme of which this report is a component. Not all questions are addressed by this component of the evaluation:

- 1) Has the CFI led to increased employability?

⁷ <http://archive.stats.govt.nz/infoshare/>

- 2) Has the CFI led to improved life outcomes (e.g., children growing up in an environment of enhanced financial capability)?
- 3) Has the 'financial conversations' segment of the CFI, led to increased financial capability for initiative recipients?
- 4) Has the CFI led to reduced levels of unsustainable debt?
- 5) Has the CFI led to the reduced need for additional financial assistance (e.g. an alternative to third-tier lenders)?
- 6) Has the CFI led to increases or decreases in financial literacy?
- 7) Has the CFI led to increases or decreases in financial stress?

The outcomes evaluation focuses on the initial and intermediate outcomes of the CFI (Figure 3). Long-term outcomes extend beyond the evaluation period.

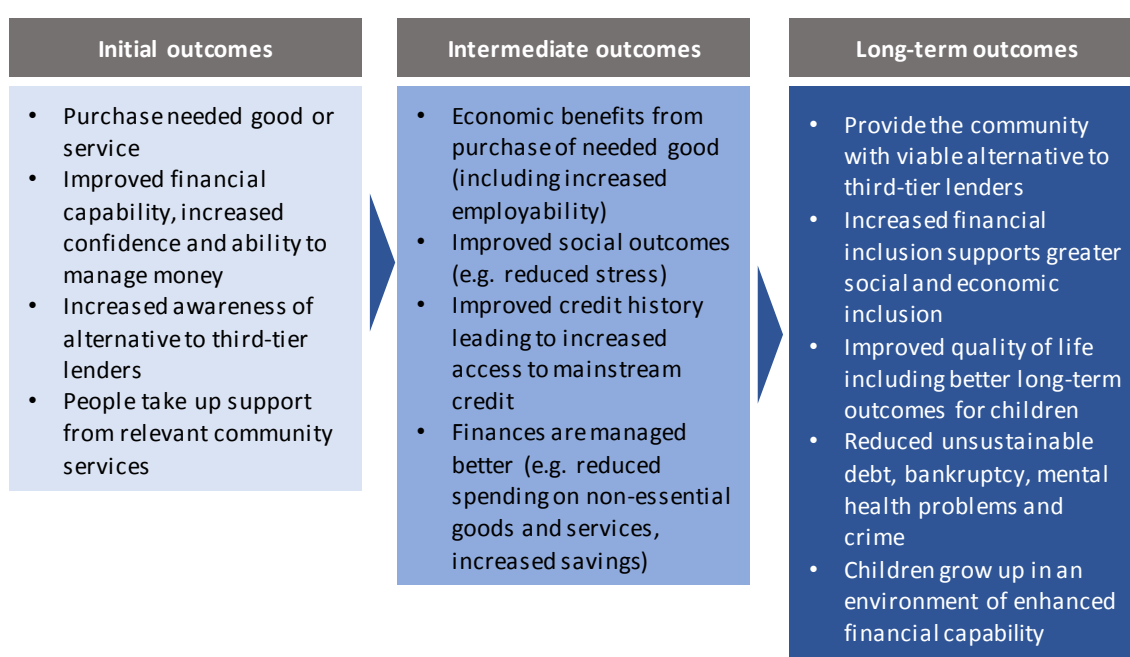


Figure 3. Initial, intermediate and long-term outcomes of the CFI (adapted from the intervention logic diagram)

1.4. Evaluation methods

1.4.1. Data sources

The findings in this report are based on participant administrative data, a baseline survey, a post-CFI survey and in-depth interviews. Details about community finance workers and participants in quotes and case studies, such as names and gender, have been altered to ensure anonymity.

Baseline survey and administrative data

Participants completed a **baseline survey** (Appendix One) before their financial conversations with community finance workers. The data collected in this survey provide information about participant situations at the earliest possible point before their involvement in the CFI. The survey included questions on:

- Financial confidence and capability
- Stress and control over finances
- Current financial situation and readiness to improve
- Employment status and the potential for the CFI loan to improve employability.

The Salvation Army provided extractions of **baseline survey results and administrative data** for 324 of the 450 people who met with the Salvation Army community finance workers during the evaluation data collection period (a response rate of 72%). The administrative data include demographic information, income source and details about the loan (e.g. what it was for, whether it was approved). Some administrative data were only collected by the community finance worker if the participant continued to submit a loan application resulting in variation in the number of participants for whom results can be reported. Details are included with each table and figure.

Post-CFI survey

Two to four months after participants met with the Salvation Army they were invited to take part in a post-CFI survey (Appendix Two). A total of 134⁸ participants completed the post-CFI survey (48% of the 281⁹ participants who had valid contact details). Total response rate for the post-CFI survey was therefore 48% with a completion rate of 41%.

Participants were recruited to participate in the post-CFI survey using a combination of text, email and phone communications depending on the contact details recorded in the administrative data.

Interviews

From the sample of 324 participants, 83 people declined to be contacted for qualitative interviews. We conducted a total of 100 interviews with 87 of the 241 remaining participants. Thirteen participants were interviewed a second time two to three months later because their first interview was completed before they knew if

⁸ Not all participants answered all questions so participant numbers used in the outcomes analysis vary from 129 to 134.

⁹ Valid contact details were available for 281 of the 324 participants who took part in the baseline survey. Some contact details were out of date while others were not recorded.

they had been approved for a loan. Of the 87 participants interviewed, 29 were approved for a loan.

The process for selecting interview participants is outlined below:

- The Salvation Army provided monthly data extracts with participant contact details and consent status. All participants who declined to participate in an interview were removed from the contact list.
- All remaining participants who were approved for a loan were invited to take part in an interview. We attempted to contact the participants who did not receive a loan in a random order.
- We attempted to contact participants who could not be reached initially again near the end of data collection.

We interviewed participants between five days and five months after they met with a community finance worker. The variation in interview timeframes resulted from:

- **Participation before the evaluation period:** The initial sample of participants received at the start of the evaluation period included participants who had been through the CFI process up to three months earlier.
- **Difficulty making contact:** Some participants were challenging to reach so contacts for interviews were attempted over the course of multiple months.

We reached most participants after they either knew their loan had been approved or had received and used the funds. Almost all interviews therefore provided information on the outcomes achieved from participation.

Only participants who completed both surveys are included in the analysis of outcomes. The numbers included in each question vary by up to two as some participants did not respond to all questions in the baseline survey.

1.4.2. **Strengths and limitations of this approach**

Strengths

- The evaluation is based on both quantitative data from surveys, and qualitative data from interviews. Used together these increase the depth of the evaluation findings.
- The baseline and post-CFI surveys used questions tested in previous evaluations of financial capability interventions.
- A relatively high proportion of CFI participants completed the baseline survey and there was a relatively low response to the post-CFI survey. One reason the response rate was relatively low is the client population comprises vulnerable people who are often mobile and hard to reach.

Limitations

- Data collection in some areas (income, debts) for CFI participants is more complete for those who proceeded to a loan application.
- Conclusions about who the CFI reached are based on data from CFI participants who consented to take part in the evaluation. While the response rate for the baseline survey was relatively high (72%), it is unknown whether those who declined to complete the baseline survey for Part One of the evaluation differed in any way from those who did complete the survey. Part Two of the evaluation, being undertaken by iMSD, will provide a robust analysis of the full cohort of CFI participants including those who declined to take part in Part One. Part Two of the evaluation will strengthen attribution of results achieved by clients through participation in CFI by comparing results for participants to those for a group of similar people completely untouched by the initiative.
- The response rate to the post-CFI survey was relatively low, which creates the risk there was some bias in responses.
- The evaluation does not allow strong conclusions to be drawn about the impact of the programme, as there was no feasible way to include a comparison group to examine what outcomes would have been achieved in the absence of the programme. The evaluation does provide information on participants' perspectives on what outcomes had been achieved.

2. CFI participants

Half (50%) of the participants applied for loans in Auckland with the remainder spread across sites in Whangarei, Rotorua, Napier, Palmerston North, Wellington and Invercargill. Most were 18-54 years old and more than one-third (38%) were Māori. At the Baseline survey 30% of participants reported they were employed.

Overall, one-quarter (25%) of participants were approved for loans. Over half (59%) did not continue with their application after the first meeting. Most (78%) CFI participants applied for a StepUP (up to \$5,000 loaned with interest) rather than a NILS loan (up to \$1,000 and interest free).

Most participants applied for a loan to purchase (59%) or repair (10%) a vehicle. Smaller proportions used loans for computers, household appliances, education costs and other miscellaneous costs.

Participants gave mixed reports of their control and confidence in money matters. Their level of worry and confidence did not always align with their financial positions. Some participants with high levels of debt said they were not stressed about their finances while others in objectively stronger and more sustainable positions were very worried. Self-assessments of worry and stress appeared to be more related to self-awareness, understanding and level of engagement with the details of their finances.

2.1. CFI participants

CFI targets people on low incomes who are vulnerable to unsustainable debt and unable to access finance from reputable sources.¹⁰ The participant group was therefore expected to include people receiving Work and Income support and people in low-income employment.

Table 2 provides an overview of participant demographics. Participants whose loans were approved and those who were not approved are shown separately to allow for comparison between the two groups.

¹⁰ Cabinet Social Policy Committee. (2013). Minute of Decision: Expanding the reach of microfinance. SOC Min (13) 24/7. Wellington, NZ.

Table 2. Profile of clients who consented to participation in evaluation (administrative data).

Participant characteristics	Loan approved (n = 82)	Not approved (n = 242)	Only baseline survey (n = 190)	Both CFI surveys (n = 134)	Total (n = 324)
Location					
Auckland	45%	52%	45%	57%	50% (n = 162)
Bay of Plenty	2%	6%	3%	8%	5% (n = 16)
Hawkes Bay	2%	10%	11%	4%	8% (n = 25)
Manawatu-Wanganui	10%	5%	5%	7%	6% (n = 19)
Northland	1%	13%	12%	7%	10% (n = 32)
Southland	10%	5%	8%	3%	6% (n = 20)
Wellington/Kapiti	23%	9%	14%	10%	12% (n = 40)
Other	6%	2%	2%	4%	3% (n = 10)
Age					
18-24 years	21%	22%	25%	17%	22% (n = 71)
25-34 years	34%	33%	33%	34%	33% (n = 108)
35-44 years	20%	22%	19%	25%	22% (n = 70)
45-54 years	21%	16%	16%	19%	17% (n = 55)
55-64 years	2%	5%	4%	4%	4% (n = 14)
65+ years	2%	2%	2%	1%	2% (n = 6)
Ethnicity¹¹					
Māori	29%	40%	40%	34%	38% (n = 122)
Pacific People	15%	17%	15%	18%	16% (n = 52)
New Zealand European	38%	27%	27%	34%	30% (n = 97)
Other ¹² /unknown	18%	16%	18%	13%	16% (n = 53)

¹¹ Only one ethnicity recorded in administrative data

¹² African, Australian, Chinese, European, Indian, Middle Eastern, Southeast Asian

Participant characteristics	Loan approved (n = 82)	Not approved (n = 242)	Only baseline survey (n = 190)	Both CFI surveys (n = 134)	Total (n = 324)
Income source¹³					
Sole Parent Support	34%	39%	35%	40%	37% (n = 123)
Jobseeker Support	16%	28%	23%	27%	24% (n = 81)
Supported Living Payment	11%	10%	13%	5%	10% (n = 33)
Other Govt support	18%	10%	11%	12%	11% (n = 38)
Employed full-time	11%	8%	16%	12%	9% (n = 29)
Employed part-time/casual	22%	14%	7%	15%	15% (n = 51)
None/unknown	-	8% ¹⁴	7%	4%	6% (n = 19)

Table 2 shows Māori were over-represented in the sample (38%) compared to the total New Zealand population (15%)¹⁵. Similarly, Pacific People were over-represented with 16% in the sample and 7% in the total New Zealand population. The differences are likely to have been caused by the geographic areas the loans were targeted and promoted in and higher representation of Māori and Pacific People within the CFI target group.¹⁵

In this study, the approval rates for Māori was lower than for people of other ethnic groups (Table 2). It is unclear why this was the case. It is unlikely to be due to an ethnic bias, as loans are not approved by the community finance worker. They are decided by either the Salvation Army loan committee and/or BNZ who do not consider participant ethnicity.

In describing their financial situations to community finance workers, participants described their current debts. Debts were recorded in the Salvation Army administrative data for 57 (18%) of the 324 participants. Most commonly participants reported Work and Income, Housing New Zealand and other (not specified) government debt (64%), some kind of finance company debt (46%), a bank overdraft or personal loan (27%) or court fines (27%). Smaller proportions had other types of debt (Table 3).

¹³ Adds to more than 100% as participants can have more than one income source

¹⁴ There is a difference between loan and no loan as data were not recorded for those who did not apply.

¹⁵ Statistics New Zealand (2013). *2013 Census QuickStats about New Zealand*. Available from www.stats.govt.nz.

Table 3. Types of debt reported by participants (administrative data, note: Mortgages and student loans were excluded from this analysis)

Other debt types	
<ul style="list-style-type: none"> • Credit Card • Loan - Friend / Relative • Loan - Other loan (not listed) • Utilities - Electricity 	<ul style="list-style-type: none"> • Retail Goods - Hire Purchase • Retail Goods - Other • Telco - Other

Overall, the average number of debts was 2.3 per person with a median debt amount of \$4,500. Most (89%) debts were below \$20,000 (Figure 4).

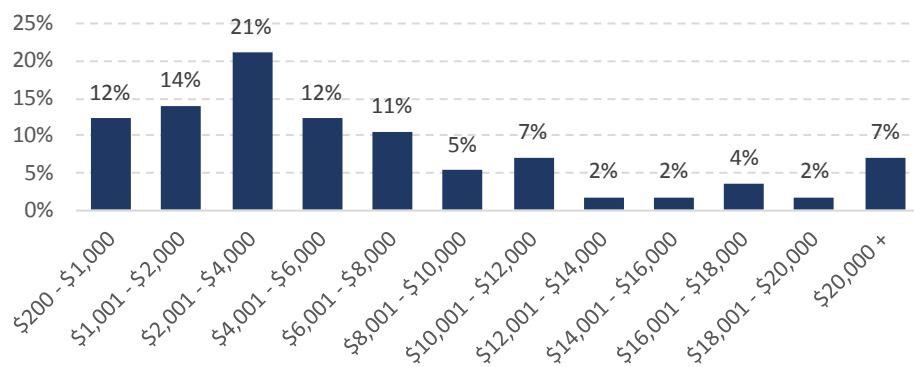


Figure 4. Total value of debt for CFI participants who had a debt recorded (administrative data, n = 56, excludes mortgages and student loans)

2.2. CFI loans

Overall, one-quarter (25%) of participants were approved for loans. Over half (59%) of participants did not progress past the financial conversation (Table 4).

Table 4. Loan type (administrative data, n = 324).

Loan status	Number of participants	Percent of participants
Approved	82	25%
Not approved	27	8%
Not submitted to BNZ, cancelled or deferred	24	8%
Not recorded/did not apply ¹⁶	191	59%

Most (78%) participants wanted to borrow more than the limit on NILS loans (\$1,000) so they applied for StepUP loans (up to \$5,000).

A total of 133 (41%) participants went on to apply for loans and 62% of those applications were approved. Approval rates for NILS loans were higher with an 81% approval rate compared with 54% for StepUP (approval rates are based only on participants who went on to submit an application to the Salvation Army as shown in the bottom half of Table 5). Unlike the StepUP loan, the NILS loan applications do not require a credit check. The difference in approval rates between the two loan types may in part be a result of the credit check requirement. However, NILS loans are smaller and require lower repayments so clients on low incomes are more likely to be approved as able to afford them.

¹⁶ Participants who did not have their loan purpose recorded are usually those who did not take their application past the first meeting.

Table 5. Loan type and loans received (administrative data)

	Loan	No Loan	Total
All evaluation participants (n = 324)			
StepUP	53 (21%)	198 (79%)	251 (78%)
NILS	29 (40%)	44 (60%)	73 (23%)
Total	82 (25%)	242 (75%)	324 (100%)
Participants who submitted application to the Salvation Army (n = 133)			
StepUP	53 (54%)	44 (45%)	97 (73%)
NILS	29 (81%)	7 (19%)	36 (27%)
Total	82 (62%)	51 (38%)	133 (100%)

2.2.1. Loan purpose

Participants most often wanted loans to purchase (59%) or repair (10%) a car. Smaller proportions of participants wanted loans for computers (6%) and household appliances (6%) or other purposes (Table 6).

Table 6. Purpose of loan applications – note this was not recorded for all participants (administrative data, n = 196)¹⁷

Reason for loan	Loan (n = 77)	No Loan (n = 119)	Total (196 ¹⁸)
Car purchase	41 (53%)	75 (63%)	116 (59%)
Car repair/ maintenance	4 (5%)	15 (13%)	19 (10%)
Computer	7 (9%)	5 (4%)	12 (6%)
Household good/appliance ¹⁹	8 (10%)	3 (3%)	11 (6%)
Furniture	3 (4%)	7 (6%)	10 (5%)
Health	5 (7%)	2 (2%)	7 (4%)
Other ²⁰	9 (12%)	12 (10%)	21 (10%)

¹⁷ Not recorded by Salvation Army for many participants whose loan applications were not progressed past the financial conversation.

¹⁸ This is less than 324 as loan purpose was not recorded for a number of participants who did not move forward with their application

¹⁹ Includes appliances and other general household purchases.

²⁰ Includes educational costs and fees, tools of the trade, tenancy bond etc.

3. Outcomes in financial capability

CFI is intended to improve participants' financial capability. Reflecting on their experience in the post-CFI survey, many participants reported positive changes. Over two-thirds (69%) said they were spending less on things they did not need and around half said they understood their finances more (54%), were paying off debt faster (46%) or saving more money (40%).

Many interview participants described feeling less worry and more control and confidence. They attributed these positive changes to the financial conversation. Participants who reported taking more value from their financial conversations were more likely to report making positive changes.

Comparison between responses to the baseline and post-CFI surveys did not show significant differences in participant financial control, confidence or stress. The only significant difference identified was a reduction in confidence to manage a large unexpected expense, possibly reflecting an increased awareness of their access to credit and overall financial situations.

Participants responded to the financial conversation in different ways. Some participants were less positive because they already felt confident in managing their finances or just wanted a loan. Practical benefits which participants reported included having more money available for things they wanted or emergency costs, feeling more in control of their finances, paying off debts faster to save on interest and improve credit, starting to pay off debts which had been neglected and feeling proud of changes they had made. The aspects of the conversation which led to these outcomes were:

- Reviewing participant spending and seeing what it added up to over time
- Going through participant credit history and current debts
- Receiving advice on how to spend less money.

3.1. Changes in behaviour post-CFI

Participants who completed the post-CFI survey reported positive changes in their financial behaviour (Table 7). Two-thirds (69%) said they were spending less on things they did not need and over half (54%) considered they understood their personal finances more.

Table 7. Retrospective changes made from post-CFI survey (administrative data, n = 134)

Changes made since financial conversation?	Yes
Spending less on things I don't need	69%
Understand personal finances more because of the meeting	54%
Paying current debt off faster	46%
Saving more money (or started saving regularly)	40%
Refinanced debt to get a better deal (e.g. lower interest rate)	7%
I have not made any changes	9%
Other ²¹	13%

Interview participants described how the changes listed above resulted from the CFI financial conversations:

- Working through their budget gave participants a better sense of their own financial situation, including increased awareness of spending behaviours.

Just going through the whole budget and making sure that you weren't going to get yourself into more trouble than you already are. Other loan places don't do that, they just give you the loan and then you have all these high interest rates you're stuck with. So, going through my budget with them was really helpful. (Not approved)

The whole budgeting thing has helped me... I've never budgeted in my whole life never. But when we went through that at the Salvation Army it opened my eyes more to what I spend my money on. (Not approved)
- Even participants who did not successfully apply for a loan reported benefits. The process highlighted what they needed to change in their finances.

Getting turned down actually made me think about it. Like actually I do have to stop spending money on so many little dumb things and actually save up. So actually not getting the loan kind of helped me in a way. (Not approved)

They just made me understand it more clearer 'cause like what I need to improve on to get approved for the loan and that stuff. So, we wrote down a budget of where my money was going. They gave that to me after so I had it. It was mainly just talking about the amounts of money going in and coming out. (Not approved)
- Interview participants learned about the process of applying for a loan, for example, about credit checks and credit histories.

²¹ Included: budgeting, being more aware of expenditure, looking for other sources of income, connected with other services, renegotiating terms of debt.

Now I know what I need to change and where I need to be to apply and get it next time I try. (Not approved)

- Many interview participants were already aware of the high cost of hire-purchase and high interest loans, but others found learning more about them helpful. They said they would stay away from them in the future. As shown in Table 7, half (46%) of participants said they were paying off their debt faster to reduce its overall cost.

So, I wasn't really aware of how much I was really in debt. I just paid the repayments and didn't really think anything more of it. So yeah, it's changed, I have started paying off my debt now. Well I have sorted out two bills that I forgot that I had so they are paid off now. (Not approved)

Some interview participants said they had changed how they managed their money following the discussion with the community finance worker, including:

- Developing a written budget

I am writing things down now so I know what I have to pay and where my money is going. Having that written budget is helpful. I'll just spend a little bit here and there and then I don't realise how much I'm actually spending. (Not approved)

- Cutting down on excess spending and either paying off existing debts faster to reduce interest, or saving money

Now that I have a saving scheme sorted I can put money aside until I have enough to buy a car with by myself. (Not approved)

- Some CFI participants refinanced existing loans to reduce interest rates and/or make repayments more manageable.

StepUP case study: Aria not approved – made changes to spending

Aria lives in a rental property with her children. Her only current income is the Sole Parent Support benefit. She has a poor credit history and has previously been through financial legal proceedings.

The financial conversation

Aria applied for the StepUP loan to buy a car as she hoped having reliable transport would help her find and retain a job. Although Aria was not approved for the loan she found the conversation she had with the community finance worker very helpful. They spoke about her incomings and outgoings as well as needs versus wants. As a result of the conversation Aria cancelled her gym membership and increased her repayments on her current loans.

It helped me make some changes like I went and cancelled my gym membership a few hours after the meeting and I called a couple of companies to try to tie up some loose ends and increase some payments here and there. Just to try finish [paying] off the

personal debts I have.

Outcome

Aria is now aware of what she needs to do to be approved for a StepUP loan. She is paying off as much of her debt as possible so she will be more appealing to lenders. She has also learned more about the risks of borrowing money from third-tier lenders.

I won't go and chase after loan sharks. That's how I got in trouble in the first place.

3.2. Financial worry

It was expected that participating in CFI may contribute to reduced levels of stress and worry for participants by enabling them to pay for a relatively large expense they would not otherwise be able to manage. Some interview participants described how the financial conversation with the Salvation Army staff member helped them reduce their worry about their finances, reducing their overall stress levels.

When I first went in [to see the Salvation Army] I was quite stressed. It was over medium [stress levels], now I am feeling quite content with it. So, it was stressing me out a lot and now it's a lot better. (Not approved)

On average, participants self-assessment of their level of worry was similar in the baseline and post-CFI surveys. Around half of participants rated themselves of five or under out of ten in both surveys (50% and 47%) respectively (Figure 5).

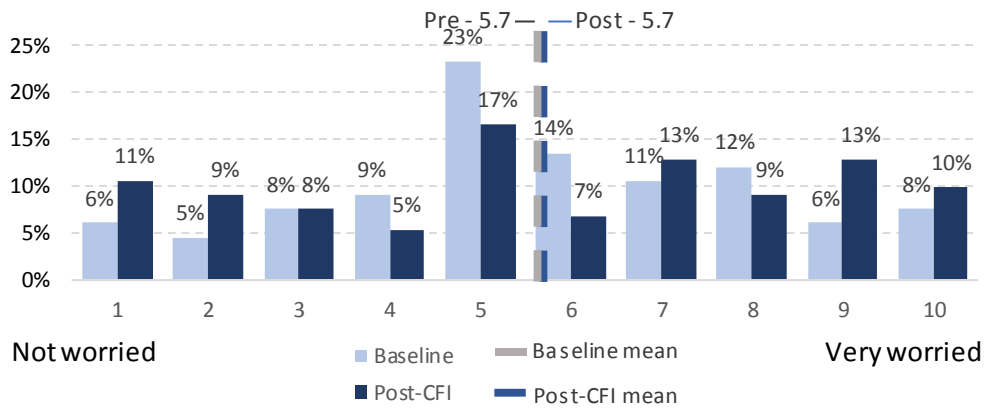


Figure 5. CFI participants' worry about their financial situation at baseline and post-CFI for participants who completed both surveys (survey data, n = 133)

Interviews with CFI participants suggested their level of worry about their financial situations did not necessarily reflect any objective assessment of their financial wellbeing. In some cases, those who were more worried about their financial situations seemed more aware of their situations and were more active in managing them. Some participants did not worry about their financial situations even though

they appeared to be very difficult. For example, one respondent said she had never had her power cut off so she was doing 'okay' financially.

All interviewed participants who received CFI loans said the worry of adding another debt to their financial situations was outweighed by the benefits of receiving the loan (for example, having a reliable vehicle or laptop, being able to pay for health costs). For example, one participant who was approved for the loan said she was worried about the additional weekly cost of paying back the loan, but said the stress of additional debt was outweighed by the benefit of having a reliable car.

It's obviously another added cost but we needed another decent car that's reliable so that's going to outweigh the stress of having to pay it back... I do worry about it [having to pay the loan back] but I didn't really have any other option. (Approved)

It's more you need to pay so you are stressed in finance but you are relieved in other parts of your life. Maybe I start paying [dollar amount] per week, but then I'm getting more hours in my job and instead of spending three hours of my time waiting for a bus, it's just 20 minutes... So, it's fine. (Approved)

3.3. Degree of control

Overall, participants gave similar responses in the baseline and post-CFI surveys for the degree of control they felt over their finances. Over two-thirds gave positive ratings between six and ten for the extent they felt in control of their financial situations in the two surveys (70% at baseline and 72% post-CFI) (Figure 6). Although many participants already felt in control of their finances, some of those interviewed did talk about feeling more in control.

I feel more in control since talking with them, because now I know where all my money is going to. (Not approved)

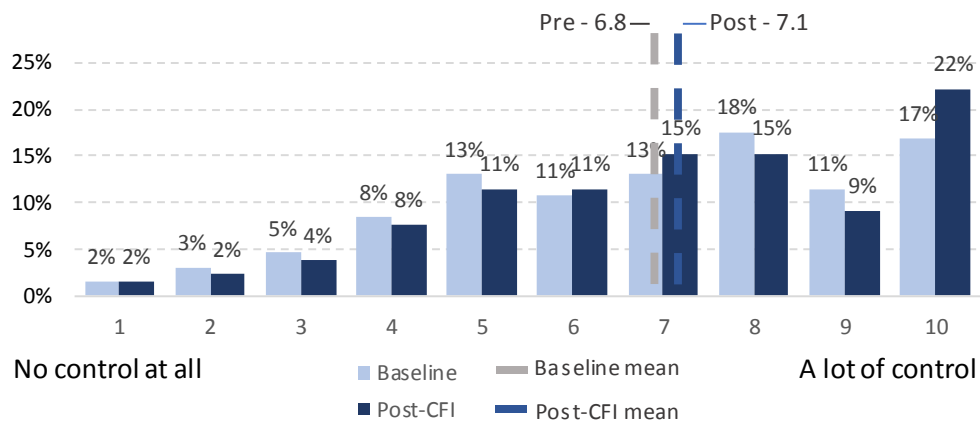


Figure 6. Control CFI participants felt over their financial situations at baseline and post-CFI for participants who completed both surveys (survey data, n = 131)

StepUP case study: Hillary – not approved but made changes

Why Hillary wanted a loan: Hillary had multiple children and lived with her parents and other family members. The only income Hillary received was the Sole Parent Support benefit. Hillary wanted the loan to buy a car so she could be more independent.

Getting the loan to get a car would help me be independent, at the moment I have to ask my parents to drive me everywhere.

Hillary's loan application was not approved due to defaults on her credit history.

Changes made as a result of the financial conversation: Hillary said her conversation with the community finance worker helped her manage her finances. Before the meeting she had never worked out a budget or thought about her spending habits. As a result of the financial conversation she said she was spending less on things she does not need, especially on her phone bill.

I've also stopped paying so much for my phone... now I have cut I down to \$30 a month on a regular plan.

Hillary's change in spending has allowed her to start saving and she was hoping to have saved enough money to buy a car debt-free within six months after the interview.

I have more money to save so I'm gonna try to get a car [within the next six months].

Participants expressed a readiness to change their financial situations in the baseline survey. More than half (55%) the participants were very ready to improve their financial situation, rating themselves ten out of ten (Figure 7). Results were similar for the post-CFI survey. These high levels of readiness may be why these participants chose to make an appointment with the Salvation Army.

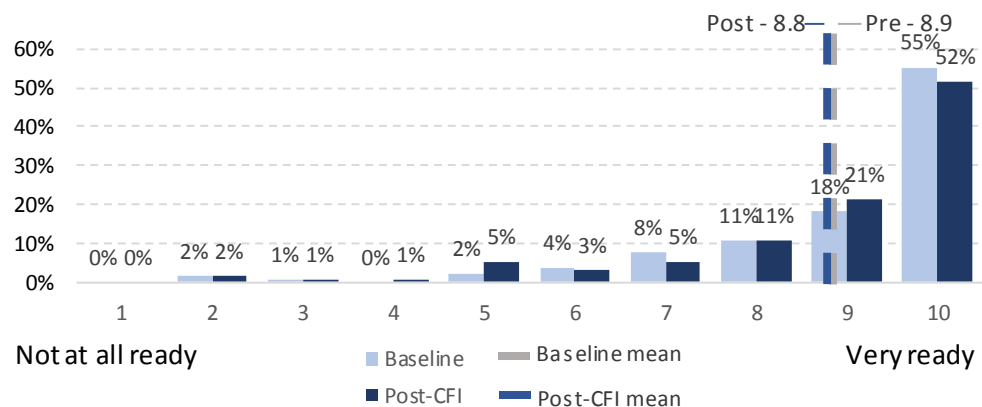


Figure 7. CFI participants' readiness to improve their current financial situation at baseline and post-CFI for participants who completed both surveys (survey data, n = 132)

Readiness to change was tempered by a feeling of inability to change without having more income. While most participants focused their comments on what they wanted (more money) rather than how they would achieve that result, others demonstrated how they made positive changes even without changing their income levels.

StepUP case study: Barney – bought car and made changes to finances

Barney was retired and rented a unit with a flatmate. He had some mobility issues which limited his social life and ability to do things like shopping. Barney wanted to buy a car.

I'm not a spring buck anymore and New Zealand's public transport compared to other countries is not very good. And also, we have friends who live further afield... So, to go and see them, it would give me the ability to go places... Seven bags of shopping is a bit too many to be able to take on the bus.

Barney heard about the CFI through a friend who received a StepUP loan. He liked the idea of a Salvation Army loan because the Salvation Army was easy to talk to and it was one of the only places he knew of to get a loan.

They [the Salvation Army] were the only ones I knew who I could go talk to. Banks seem harder to talk to than anybody else these days.

The financial conversation: Barney said the financial conversation was very helpful. As a result of the conversation he has made several changes to his spending habits, including: spending less on Lotto tickets, using his own bank's ATMs to avoid paying bank fees, and keeping a written record of everything he spends.

For an example, I was spending \$13 a month because I was taking money out of other ATM machines that weren't my bank. That adds up over a year and that's been going on for years. How much is that? It's thousands... That was an eye opener.

[The community finance worker] got me so aware of what I was doing that now I have my own book-keeping. I keep track of every cent I spend and I record it. Before that I was flitting money away. It's been a great eye opener.

Initial outcome: Since the financial conversation Barney was more in control of his finances and felt he was “on the road to financial success”.

The best thing is that I now have tighter control. Going along and seeing [the community finance worker] has jolted me into action. I could've had two cars by now.

Five months later: Five months after the loan was approved, Barney discussed how having the car made a “huge difference to my life.” He was in a better financial position, continuing to save money and was still keeping a written budget at all times.

Yes, my financial situation has improved. Not in terms of income, but in terms of staying

on the ball and looking after your budget. Whereas before money in the pocket wasn't destined to anything unless you're walking through the shops and then its "oh hello, where did my money go?" Whereas now, that money is all put aside on x, y and z. Now when our money comes in I pay absolutely every single bill.

3.4. Financial confidence and capability

In response to the baseline and post-CFI surveys most participants were confident dealing with daily financial matters. Over half (53% baseline, 54% post-CFI) scored their confidence between eight and ten out of ten. Very few said they were not at all confident about dealing with daily money matters (Figure 8).

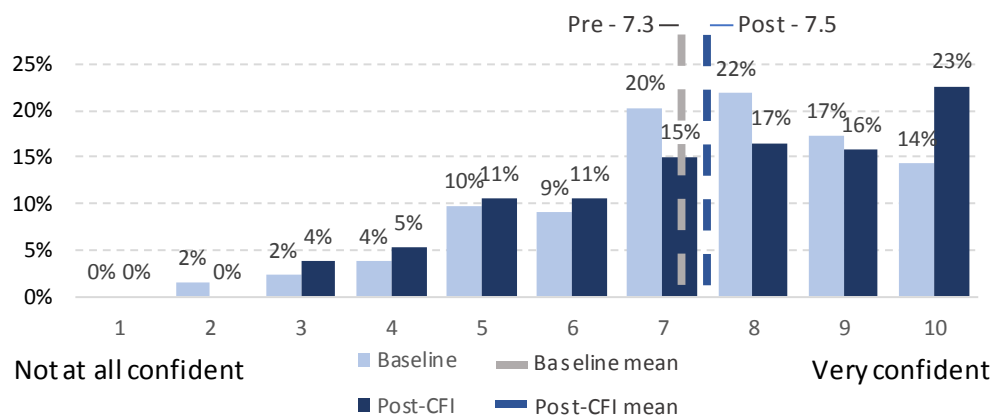


Figure 8. Participants' confidence in dealing with daily money matters at baseline and post-CFI for participants who completed both surveys (survey data, n = 133)

Participants who already felt in control of their finances and said they understood their situation well saw the financial conversation as confirmation of their financial position rather than an opportunity to learn new skills.

NILS case study: Jane – bought a computer to help with study

Jane was a single mother studying part-time and on Sole Parent Support. Jane had tried multiple lenders and rent-to-own companies to buy a computer but was not approved as she had "bad credit". She found out about the NILS loan through her education provider.

[The reason I wanted the loan] was a laptop for my studies 'cause I'm doing a.... course now, but I didn't have my own place or a quiet place to do it, I would have had to do it at the public library which is so noisy with everyone coming in and it's so public, I just wanted my own space so I could concentrate.

I went to a bunch [of lenders], but it only takes a few to realise that you're not going to get anywhere.

The financial conversation

Jane appreciated the community finance worker making sure she would be able to make the repayments for the loan. As Jane has had her own written budget for years and felt very confident in her own financial management she felt she did not gain anything from the financial conversation. Jane found the community finance worker was fast, efficient and explained things clearly.

Well I knew my finances already. Fortunately for me I always budget and I can see what I'm left with and what I can spend. And [the community finance worker] was good, they were awesome, fast, and clear.

Outcome

Jane was approved for the loan within two days of her meeting and bought a laptop.

It has made a big difference, so I'm a single mum, so I send them off to school, then I can go anywhere with wi-fi and get things done without all the distractions of what would happen if I had to use public computers. So.... it's been huge.

She was confident the skills she was learning at her course would help her to gain employment after she finishes studying. Having a laptop made Jane's life easier and more productive and she said the repayments for the loan were not causing her any stress.

Maintaining a written budget can be an important financial skill. Just under half (47%) of the participants who completed the baseline and post-CFI survey reported they had a written plan for their finances.

I write it down every week and write down how much I can spend on this and other things and how much I can save. I have seen the budget advisor before, they have been helpful that's when I started doing this [writing my budget], a long time now. (Not approved)

The percentage of clients with a written budget was 56% in the post-CFI survey. Nearly half (33 or 49%) of participants who did not have a written budget at baseline had one in the post-CFI survey. However, this change was counterbalanced by 21 participants who made the opposite change and went from having a written budget at baseline to not having a budget in the post-CFI survey (**Table 8**). Despite the number of clients who adopted a written budget, analysis showed no significant difference for the participant group overall, or for the groups of participants who were and were not approved for loans.

Table 8. Change in whether participants had written budgets comparing baseline and post-CFI survey results for participants who completed both surveys (survey data, n = 129)

	Participants who still had no budget post-CFI	Participants who had a budget post-CFI
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Baseline – No budget (n = 68)	35 (51%)	33 (49%)
Baseline – Had a budget (n = 61)	21 (34%)	40 (66%)

NILS Case study: Jackie - didn't end up needing the loan

Jackie left her partner and moved back in with her parents but had no furniture. She needed a range of furniture for herself and her child. Living with her parents was a short-term solution and Jackie wanted to move into her own place as soon as possible.

Changes as a result of meeting the community finance worker

Jackie had never budgeted in her life and found the conversation she had with the community finance worker extremely helpful. She said she was spending less on “junk food” and saving more.

So, I went down there [the Salvation Army] last week and they calculated all the money I was getting and calculated what I was spending it on like how much on junk food and all this. So, this week it's a lot more clearer. This week I have spent stuff all on junk and have saved quite a bit of money. So, they bring a realistic view on if you are wasting money on food or something else.

I've never done that [budgeting] before and I actually highly recommend it too. Like there is nothing to be embarrassed about or anything like that. It's just basically opening your eyes up to what you could be saving.

Jackie now has a budget which she uses regularly and is hoping to teach her child the skills she has learnt.

I actually do [have a budget], believe it or not, I really do. Its making a huge difference in terms of how much I can save. So yeah it has actually made me learn a lot. And I'm a mum so I've got a child to think of if he needs stuff. And I'll be able to teach him in the future too while he's growing up.

Outcome

When catching up with Jackie five months later, she decided that after looking at her budget she was able to buy the items she needed by herself. Jackie is now living in her own home and has purchased all the furniture she needed. She is continuing to save weekly and attributes all her recent improvements in financial capability down to the meeting she had with the community finance worker.

The only reason I've been able to do any of this is because of the Salvation Army person. They were great.

Participants scored themselves lower in the post-CFI survey compared to the baseline survey in how well they would be able to manage a large unexpected expense. This difference was statistically significant ($M = 6.7, SD = 2.5$) and post-CFI ($M = 5.5, SD = 2.9$) ($t = 4.1, P < 0.05$) (Figure 9). This difference was driven by participants who were not approved for a loan, as those who were approved showed no difference. Participants who did not receive a loan decreased in confidence (baseline ($M = 6.7, SD = 2.6$) and post-CFI ($M = 5.3, SD = 2.8$) ($t = 5.0, P < 0.05$)). Participants who received a loan did not (baseline ($M = 6.4, SD = 2.7$) and post-CFI ($M = 6.1, SD = 3.2$) ($t = 5.0, P > 0.05$)).

Participants had relatively high levels of confidence at baseline even though they were often unsure how they would manage such an expense. Most said they did not have any savings but thought they would “figure it out” if necessary.

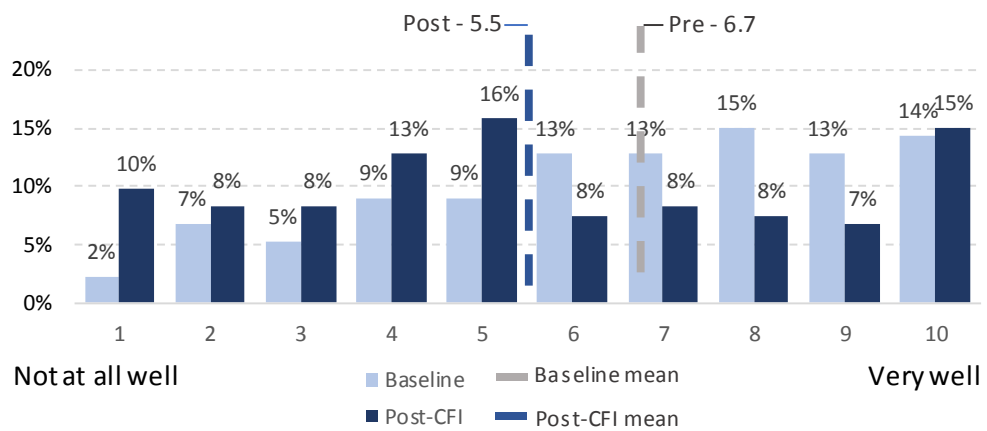


Figure 9. How well CFI participants would be able to manage a large, unexpected expense at baseline and post-CFI for participants who completed both surveys (n = 133).

Interview participants described how they would manage such an expense. Over one-third (38%) said they could not pay for anything like that and did not know how they would deal with it. Just over one-third (36%) said they would use their savings, often started since the financial conversation. Smaller numbers said they would rely on family (21%) or Work and Income (15%). Even if participants were unable to pay, some said they would try to set up regular repayments to pay off what they needed.

3.5. If not approved for the loan

We asked interview participants what they would do if they did not receive the loan. Three-quarters (75%) said they would go without what they wanted because they would not be able to get a loan or did not want to get a high interest loan. A much smaller proportion of interview participants said they would try to borrow from friends or family (11%) or try to get a loan from elsewhere (15%) (banks or third tier lenders).

4. Employability and wellbeing

Many CFI participants used their loans to improve access to transport, which had benefits for their employment situations. Increased mobility meant participants looking for employment were eligible for a wider range of opportunities. They could apply for jobs in a wider geographic area or with working hours outside those covered by public transport. Eight of the nine participants who were looking for work and used their loans for a vehicle considered it had improved their chances of getting a job. Interviews with many participants who were not currently looking for employment were confident having a car would help them get a job in the future. Some who were already employed reported loans through CFI had or would help them maintain or improve their existing employment through more flexible and reliable transport to and from work or making work easier to manage.

Increased access to transport had wider benefits for participants. Increased mobility strengthened connections with family and friends and church as well as making activities like shopping and getting to appointments easier. Participants reported these changes led to improved wellbeing and mental health for themselves and in some cases their friends and family.

4.1. Wellbeing

There was no significant difference in the stress levels participants reported in the baseline and post-CFI surveys. Most CFI participants said they had middling levels of stress with few responding at either end of the 10-point scale (Figure 10).

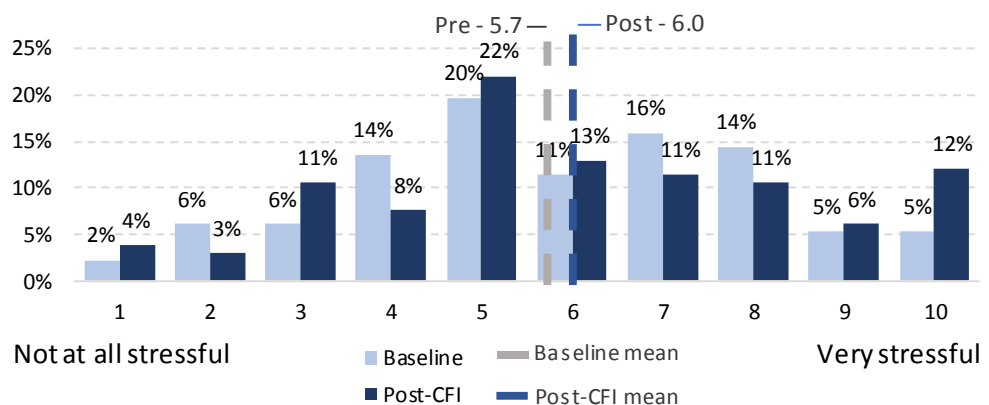


Figure 10. How stressful CFI participants' lives were at baseline and post-CFI for participants who completed both surveys (survey data, n = 132)

Many interview respondents said they were not stressed.

I don't put much thought into it I just live my life you know. (Not approved)

No, I'm fine, I don't like to get stressed out. (Not approved)

Those who said they were stressed mentioned common stressors such as finances, work and study, ensuring their children were doing well, relationship issues, and general health concerns as well as the reason they needed the loan.

There is stress there because life is not always so easy for me but I just have to keep positive, I have enough money for me now but other things are stressful. (Approved)

My life is very stressful. It's like a nine out of ten but getting the car was so good, it made me so less stressed for getting a car. But my life is stressful. (Approved)

Participants described benefits in terms of the wellbeing of their families relating to the purchase of goods other than vehicles.

It will just help me have the things I need and with kids you need a fridge and a washing machine, so I would be more than happy just getting the NLS loan for the things I need to look after my family. (Not approved)

What you guys have done has helped me so much its helped me sort out everything allowed me to get around it's been an absolute miracle. (Approved)

I have babies so having a washing machine would make it a lot easier and a lot cheaper. (Not approved)

NLS case study: Greg - small household purchase

Reason for loan: Greg wanted a loan to help him buy a small household purchase to keep his property in order. Greg had limited income (on Jobseekers Support), a bad credit rating and was unable to get a loan from other providers. He has been looking for a job for some time but his history made this challenging.

I have always had problems trying to get a loan I have always had difficulties with that, so I thought I would see how I got on with the Salvation Army.

The process: He found the process very easy and was approved quickly. Although Greg already had a reasonably good idea of his finances he found that the conversation he had with the Salvation Army gave him a clearer picture of his situation.

I knew roughly what my financial situation was but this just made it all clear for me so that was good.

Changes: As Greg was already in control of his financial situation the only change he made was to create an automatic payment from his Work and Income benefit to the Salvation Army to pay off his loan. Having this option made it a lot easier for Greg as he didn't even have to think about it.

Greg did not have a written budget but felt he knew how much he had available to spend and felt in control of his finances.

Outcome: The loan had very little impact on Greg’s finances and he is now able to keep his property in the condition he wants. It will take 24 weeks to pay off the loan. Without the NILS loan, Greg would not have been able to make this purchase.

4.2. Employability

One of the stated intermediate aims of the CFI was to improve the economic situation of participants through “increased employment”. CFI’s potential to improve participants’ employment situations was influenced by:

- Participants who were retired or receiving a benefit without work obligations (e.g. Sole Parent Support, Supported Living Payment) were less likely to benefit from increased employability.
- Receiving a loan to buy new whiteware was less likely to improve employability compared to buying a car to drive to work, but may still benefit participants’ overall health and wellbeing.

In the baseline survey participants were very positive about CFIs potential impact on their employment situations. Most of the 92 employed CFI participants (30% of all 312 participants as shown in Table 9) thought the loan would help them stay in their job (89%) or improve their job (81%). Most of the 220 unemployed participants (85%) believed getting the loan would help them improve their job prospects either at the time of receiving the loan or in the future when they were looking for employment.

Table 9. Employment status for all participants who completed the baseline survey and answered the employment question (baseline survey data, n = 312).

Time period	Employed	Not employed	Total
Baseline Total	92 (30%)	220 (71%)	312
Loan approved	29 (37%)	49 (63%)	78
Loan not approved	63 (27%)	171 (73%)	234

Feedback in the post-CFI survey was also positive, as participants generally considered the expected benefits had been realised. Just under two-thirds (60%) of the 21 employed participants (from the post-CFI survey) who got the loan said that getting the loan helped them to get/stay in their current job and over half (57%) said that getting the loan has improved their job. Improvements most often came from being able to get to and from their jobs in a more timely and reliable fashion, being able to work longer hours and/or different shifts and being able to undertake

additional duties. The reasons clients gave for the loans improving their employment were consistent with the reasons they gave for the loans increasing employability. Examples of this are shown in the case studies of Yasmin and Samara on the following pages.

The car does help my job, just being able to get there and get back and although it's not exactly part of the job, it is helpful to be able to pick people up and go to something which is part of the work even though not a paid part of it, so definitely it's good. (Approved)

Both groups of participants (loan approved and not approved) who completed both surveys increased their employment by approximately the same number of percentage points. The proportion of employed participants increased from 30% at baseline to 40% post-CFI, a statistically significant difference, $p < 0.05$ ²². Other changes in employment can be seen in (Table 10).

Table 10. Baseline and post-CFI employment status for participants who completed both surveys (survey data, n = 129)²³.

Time period	Employed	Not employed	Total
Baseline	39 (30%)	90 (70%)	129
Loan approved	16 (36%)	28 (64%)	44
Loan not approved	23 (27%)	62 (73%)	85
Post-CFI	52 (40%)	77²⁴ (60%)	129
Loan approved	20 (46%)	24 ²⁵ (55%)	44
Loan not approved	32 (38%)	53 ²⁶ (62%)	85

In the post-CFI survey participants were asked if they were looking for a job. Of the 12 participants who received the loan and were looking for a job, 75% said that it had helped to improve the chances of them getting a job. The proportion was higher (89%) amongst those who got the loan to buy a vehicle.

Interview data showed some participants reported the loan had helped them stay employed and increased their ability to work. Four of the eleven interviewed participants who were employed said they had increased their hours of work because of the car they purchased with the loan.

²² An exact McNemar's test was run to determine if there was a difference in the proportion of participants who reported they were employed at baseline compared to post-CFI.

²³ Numbers are not the full sample of 134 due to missing employment data at baseline.

²⁴ 38% of this number are not looking for work

²⁵ 66% of this number are not looking for work

²⁶ 24% of this number are not looking for work

I work part-time but I will start working full-time in the next week. (Approved)

Below are two case studies describing improved employment options.

StepUP case study: Yasmin Approved - bought car and made changes

Why Yasmin wanted a loan: Yasmin was in her twenties and recently arrived in New Zealand. When she applied for the loan she was working part-time at a fast food restaurant. She received no benefits or other income. She applied for the loan to buy a car as she was relying on public transport to and from work.

When I came over, I have very low income... I thought that this was a good loan where I could just get the money I need without getting like heaps of loans. I can pay it back in three years.

Meeting the community finance worker: Yasmin found the process was fast and easy to complete.

[I] met with [the community finance worker], they explained the loan, how much a person could take, how they calculate it, what you can use it for. And then they filled out a form with all the details and we printed out all the bank statements and everything they needed. It was quite a fast process, in two or three days they replied me back.

Changes as a result of getting the loan: Yasmin was approved for the loan and bought a new car. After she bought a car, Yasmin changed her hours from part-time to full-time as she was not limited by the bus timetable.

My manager will give me extra hours because, like in the past I couldn't stay more than 9:30pm because I have to go home, but now I can stay until 12 o'clock in my work so they increase my hours.

As well as being able to work more hours, Yasmin said getting the loan and being able to buy a car allowed her to visit her family more easily, and is also better for her health.

Now I can visit my family very often [they live in another suburb] and also, I have a problem with my back so I cannot carry very heavy stuff from the market. I always had to have a person to help me but now I can just put it in my car and bring it one by one into my home. It was very good for me. I'm very happy now!

What would have happened if Yasmin had not been approved? Yasmin would have continued to save money for a car although she said this would take her a very long time because she was only able to save around \$400 over 12 months.

StepUP Case study: Samara - approved to buy car

Why Samara wanted a loan: Samara arrived in New Zealand nearly one a year ago. She had a full-time job but was worried she would lose it as she struggled to

get to work on time due to unreliable public transport. While visiting the Red Cross they mentioned she could try the Salvation Army for help getting a car.

I tell her [the community finance worker] I go to work in the morning taking the bus and I keep getting there late 'cause there are no earlier buses so I need the car so I can get to work on time. So, I needed the car to be able to keep my job.

Changes as a result of meeting the community finance worker: Samara's meeting with the Salvation Army not only progressed her towards getting the loan for a vehicle it also helped her with budgeting and increased her financial knowledge.

The [community finance worker] was so good, they talked to me about how I will be paying and I have all the documents that they ask for... Yeah it helped me understand it all. We wrote down how much money I spend and what I will need to pay back for the car. It was good.

Yeah, I have that [a budget], I pay my bills every week so I know how much I need, just like the car, I know how much I need to pay and I have been paying that for a long time.

Changes as a result of getting the loan: The loan has meant Samara has been able to remain employed in her job and start studying. She has been successfully repaying the loan for the past six months.

So, I got the loan five months ago and it changed my life here in New Zealand. It's made a big difference because when you don't have a car you can't get to work on time, you are late, then you get fired then you look for a new job and then you might be late for that job. So, if you want to be able to have a job and pay your bills you really need a car. So, it's been great, so, so good.

As Samara is now in a more financially stable situation she is thinking about her dream of trying to open her own restaurant in the future.

What would have happened if Samara had not been approved? Samara was not sure what she would have done if her loan application had not been approved, but she did think she would have lost her job.

Comments in interviews highlighted the link between employment outcomes and access to transport. Participants described how having a car made it easier to:

- Travel to job interviews.

It would just mean I could have got to interviews quicker and that, without having to rely on other people. (Not approved)

Having the car would be great 'cause at the moment I wouldn't even be able to apply for jobs. I couldn't go see people. (Approved)

- Travel to work, making participants more attractive to employers because they were more punctual and reliable.

I am applying for so many jobs but so many require a car the problem of me getting around to jobs is tough... My biggest obstacle is not having the car. So, having a car would help with employment and just in general, personally as well. (Not approved)

- For some, having a reliable vehicle was a requirement of their job.

Having the car is so I can continue to work.... It will mean I can get [where] I need to get to for work, it's just really important. (Not approved)

Owning a vehicle meant participants would no longer be reliant on public transport and would therefore be able to access more work opportunities. With transport, participants could:

- Start earlier and/or finish later than allowed by the public transport timetable

Because of transportation issues it's very difficult for me to get a full-time job...I want more hours but because of time constraints I have to rush to catch the last bus and can't get to work early enough. (Approved)

I like to work, and I really want to get back to work, I did have a job lined up but I needed a car for it so I couldn't get that job. (Not approved)

I'm always looking for jobs for people who can give me a ride or in the area but that's really hard. But having a car I can be independent I could actually find work by being able to go to it. Public transport hardly ever goes where I need it to and when you have tools and everything you can't lug them on the bus it's a bit difficult. (Not approved)

The job I was meant to do covered more hours but because of transport I can't get there early enough or stay late enough due to transportation issues. (Approved)

- Get to work at short notice allowing them to pick up additional shifts

Having the car would let me work more. Like I'm on-call a lot of the time... so, a lot of the time they call me like an hour before and say we need you here now, so public transport just doesn't cut it. (Not approved)

- Get to other parts of the city inaccessible by public transport.

I work for an agency and they send me out all over the city... Like sometimes they have jobs that start at 5am and then I can't get there on public transport so I can't do it, so I miss out. (Not approved)

Having a computer would allow participants to update their CVs and look for jobs on the internet. Participants wanted a loan to get a computer for study purposes hoped their study would lead to employment when they finished their course.

[If I had a computer] It would help me to be easier for life to look for a job. I can fix up my CV. (Not approved)

One participant needed a reliable computer for their work.

I'm a.... So, I really need my computer but now it's just freezing up every couple of hours you know I can't get no work done on it at all... It would just give me more flexibility. And

being more able to get work done... There is just some days where I have to tell clients that I can't get it to them and it's because of my computer. (Approved)

4.3. Social participation and independence

Many participants who received the loan to buy or fix a car spoke about how they were more able to do the things they wanted to do. Having a car allowed participants to drive children around, pick up groceries, go to appointments, visit friends and families, not be a burden on others and achieve more with their time. Many participants live in areas with poor or non-existent public transport so having a car enables them to be more engaged in all aspects of their lives. Having a vehicle allowed participants to get around more easily which was particularly important for those who lived in rural or semi-rural areas. Several participants mentioned that having a car made it easier to visit family members in other suburbs. Participants were more able to manage day to day life.

So, having a car would give me my independence and it would be much easier to find a job. I am really struggling with that. (Not approved)

I live a little bit rural so to be able to get places it would have been way better... Having a car is important for my whole life really. (Not approved)

It will make it heaps better because I live out in rural, and I have no transport, I'll be able to travel and get into town and stuff like that. it will mean I don't need to rely on other people. I'll have a lot more independence. I'll be able to do what I need to do when I need to do it. Like go to appointments for my son, the shopping. I won't have to borrow a car to go shopping. My son has a disability so I'll be able to take him to his appointments. (Approved)

Those with children emphasised how much easier it was to get around with a car rather than being reliant on public transport.

[Having a car would be helpful] for my children, just like getting them to sports things or wherever they need to go, so having a car would be really helpful for me personally. (Not approved)

[Getting the loan] made a huge difference. If I hadn't been able to get the loan then I wouldn't have been able to get the kids to school or do anything really. (Approved)

My dad won't let me use his truck so everything has to be on time so if I've got something to go to I have to be really organised cause he works so I can't do anything after 3:30. If I do need to do anything I have to walk and I have four kids so it's not easy. (Not approved)

4.4. Connecting to other services

Most CFI participants had some connections to services in their local communities (Figure 11). In interviews, participants most commonly mentioned Work and Income, Housing New Zealand, and various local NGOs and budgeting services including

those offered by the Salvation Army. Very few of the interview participants said they connected with additional services external to the Salvation Army following their meeting with the community finance worker. Although a small number, participants that were helped with connecting to other services or helped to navigate their current services did find it helpful.

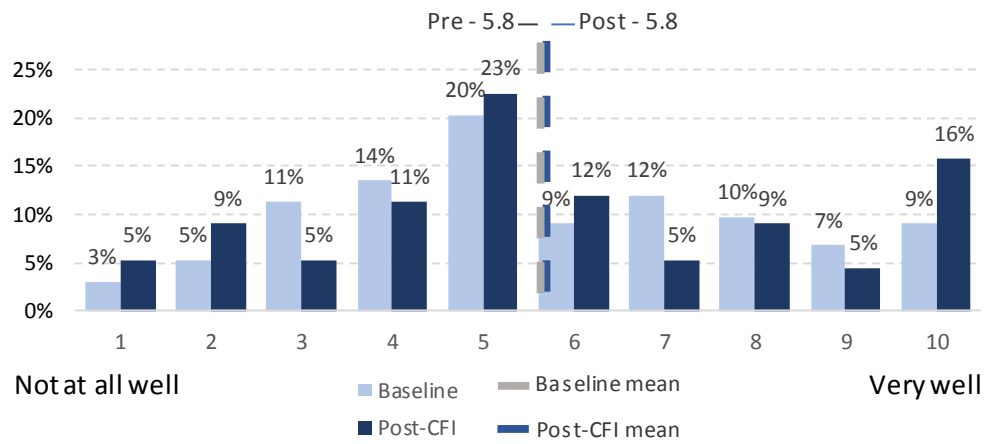


Figure 11. How well CFI participants made use of services available in their community at baseline and post-CFI for participants who completed both surveys (survey data, n = 133)

StepUP case study: Mia – approved, car improved quality of life

Mia wanted to buy a car but had a low credit rating and was not able to get a loan from other lenders. She also did not want to be charged a high interest rate. She expected the experience to be stressful and *“like talking to the bank”* but instead found *“[the community finance worker] was so good and so nice”*.

Changes as a result of financial conversation: The financial conversation helped Mia realise how much she spent on things she didn't need and is now spending less and also saving more, even after paying her loan instalments.

It was really good looking at everything with someone else. You really see how much money you waste.

So, I am spending less on things like drinks and coffees and lunches and things like that and its making a difference. I'm actually saving some money now too. I have always tried to save and I have a savings account but now I'm actually putting money in there.

Two months after buying a car Mia had continued to be more aware of her spending, is still saving regularly and has taken more steps to being financially secure. Mia had opened two new savings accounts, one for her car to pay for regular costs and one for general savings that she does not touch along with her first general savings account. Mia had even started a savings account for her young son to teach him about sensible financial habits.

Changes as a result of the loan: Getting the loan allowed Mia to buy a car which has changed her life. Two months after receiving the loan she:

- Has improved mental health as she can achieve more in life
- Has become more independent
- Is less reliant on her ex-partner for transport
- Can do more with her son
- Her son can take part in more activities
- Can get to and from work and school more easily

Oh, it's a huge difference [having the car], just what me and my son are able to do now, just the little things like going to the park and doing things with him. He was doing a few things prior to when I got my car but now he also does dance lessons and gymnastics just because I am able to get him there... [before] it just wasn't an option. And my boy is coming out of his shell and trying more things and I think that's from doing all of these things. Like we are able to do more so he gets more experience doing things so it's been huge for us.

5. Experience of the CFI process

Participants were attracted by the low interest rates and low repayments for CFI loans. While not specifically asked about the community finance workers, nearly two-thirds (62%) of interview participants volunteered positive feedback, describing them as knowledgeable, respectful and a pleasure to work with.

Participants (both those who were approved and not approved) saw CFI as a positive and needed initiative for people like them. Many participants said they would highly recommend it to others for both the financial conversation aspect as well as the loan itself.

The majority of participants found the process easy and worthwhile but a small number found the in-depth personal nature of the financial conversation challenging.

Data collection for this part of the outcomes evaluation focused on outcomes, however interview participants did discuss their experience of the CFI process.

5.1. Reasons for participating

Participants were attracted to the CFI by the low interest and low repayments.

- Low interest rates (or no interest in the case of a NILS loan)

The low interest was a real big draw card. (Not approved)

I've only had one loan before with Rapid Loans. But their interest rate was through the roof, it was ridiculous. (Not approved)

- Low weekly repayments.

It's cheaper, way cheaper than what I was paying a week... That was the whole purpose, that it was cheaper. (Approved)

It was cool it was only going to add up to \$34 a week which is pretty easy to pay off. (Not approved)

A small number of participants spoke about how they respected the Salvation Army.

I thought it would be a good idea 'cause of the interest rates and the fact that they are trying to beat the loan shark schemes and I respect that so I went with them. (Not approved)

Some said they applied for NILS or StepUP loans because they were not eligible for loans from banks.

[The StepUP loan] was kind of last resort kind of thing 'cause I've applied for personal loans through the bank and various loan places. 'Cause at the time I wasn't earning enough. (Approved)

They [other lenders] don't tend to look at you when you've only got one income and multiple children. (Approved)

5.2. Experience working with community finance workers

Although not explicitly asked, 62% of the participants interviewed spoke about the high quality of their experience with their community finance worker. They gave reasons including:

- Feeling like the community finance worker respected them

It was very cordial, they respected me and what I had to say. They were kind. It was just a very good interview and they weren't judgemental in any way. (Not approved)

Yes, it was helpful. They were just really friendly and weren't judgemental of my situation being on the benefit or anything. They were just kind. (Not approved)

- It was not intimidating

[The community finance worker] was nice. Everything they explained to me crystal clear and in terms I could understand. And it wasn't invasive, there were no questions that made me feel uncomfortable. (Not approved)

The Salvation Army person was very supportive. They were so good at understanding my needs and making me feel comfortable. (Approved)

- The community finance worker explained things in a clear and simple way.

[The community finance worker] Was really good the way they explained things to me. I have to ask again if I don't, they explained it very good to me. (Approved)

They guided me through it, they were really patient. They helped me understand the process and what was happening. (Approved)

Although most participants found that the process was helpful, a small number of people found the personal and in-depth nature of the financial conversation challenging and did not appreciate the community finance worker going through their spending.

They literally wanted to know everything about us. We were getting quite annoyed with it. (Not approved)

StepUP case study: Diana – not approved, financial conversation too invasive

Diana hoped to get a StepUP loan to buy a car but her loan was not approved because she did not have enough available income to pay the loan repayments. Diana did not appreciate having the financial conversation with the community finance worker as she just wanted the loan. She felt that it was prying into her life.

They just reckon we are spending too much money over the last two months. That's the main reasons why [we didn't get a loan].

Like they are reading from the bank statements and they say so I can see you had [takeaways] and this and blah blah blah, and like yeah sometimes we get takeaways, so what? We can get them if we want. So, [the community finance worker] was prying into our lives, I didn't actually like it to be honest.

Diana did not find the financial conversation helpful and did not get anything out of her visit to the Salvation Army.

Yeah, it was just applying for the loan. It didn't help me, they declined me.

She was planning to go to her bank to apply for another personal loan in the next few months.

Participants reported the conversation they had with the community finance workers was very helpful in helping them manage their finances. Participants who were approved for a loan were more positive than those who were not approved (Figure 12).

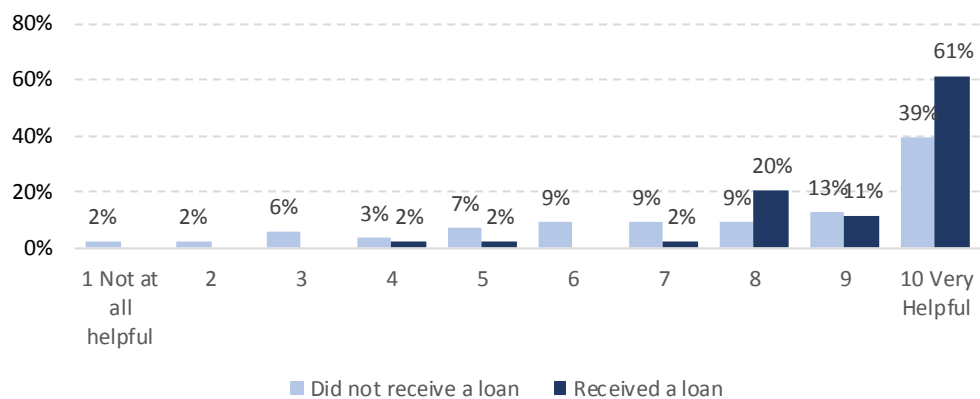


Figure 12. Helpfulness of the financial conversation for all participants who completed the post-CFI survey for participants who received (n = 45) or did not receive (n = 89) loans (post-CFI survey data)

5.3. Overall views

Overall, participants were positive about CFI and its potential to benefit people in situations like theirs. Many participants spoke about how they liked the idea of the CFI as it helped people who were most in need and did not trap people in unsustainable debt.

It's such a good idea, it must be helping a lot of other people too. It's great. (Approved)

Everyone I see that needs something I recommend this to them I think it's so good. The Salvation Army are one of the places who really help people in so many ways. (Approved)

When participants were asked if there was anything else they would like to add to what they had said in the interview a lot of participants said they would, or have, recommended the service to others. Even participants who did not receive a loan said they would recommend it.

The [community finance worker] was very wonderful and lovely, I have recommended them to lots of people. (Not approved)

I have actually recommended the loan to a few families I know, like my brother. He is unemployed but his [house needs repairs], so stuff like that. (Not approved)

5.4. Suggestions for improvement

This evaluation focuses on outcomes of the CFI. However, participants made some suggestions for improvement in interviews. They included:

- Streamlining the application process: Some CFI participants said they did not apply because of all the paperwork required. Others who did apply and were approved said they did not take up the loan because the application and approval process had taken too long and they had had to look for other sources of finance instead.

The process was too long because I needed a car ASAP because the van I had had no warrant and no rego [registration] and I couldn't get a warrant 'cause there was \$4,000 worth of work to do on it. [Went to car dealer and got financing from them instead]. I basically just signed the papers and took the van. They did a credit check and all that, but it was basically instant. (Not approved)

- Promoting the loans more: Most of those interviewed said they had learned about the CFI from either friends or family, an internet search (e.g. searching Google for “cheap loan NZ” or something similar) or from another support or budgeting service they were already working with. This suggests there may be opportunities to further increase the profile of CFI in the community.

I didn't even know there was such an option like this loan for people like us. (Approved)

6. Conclusion

During the evaluation, the CFI provided financial conversations to all participants and low or no-interest loans to one-quarter of participants. The purpose of the financial conversation was to assess each participants' suitability for a loan. Discussing participants' financial situations and budgets also had the potential to improve their financial capability.

The majority of participants applied for a loan to purchase a vehicle. The outcomes for participants included outcomes from the financial conversation (a mandatory part of the loan application) and the outcomes from receiving the loan.

6.1. The financial conversation

The financial conversation between potential applicants and Salvation Army community finance workers offered the opportunity for an in-depth discussion of participants' finances. Overall, participants were positive about their experience and spoke very highly of their community finance workers, even those participants not approved for a CFI loan. They generally said they would recommend the financial conversation as well as CFI loans to people in similar situations.

The financial conversation included an in-depth review of income and expenses. Most participants considered this discussion helped them understand their finances more and where their money was going. Their feedback commonly included the description of the discussions as 'eye-opening'. A small number of participants found the conversation challenging and described feeling judged about how they used their money.

The financial conversation was the first step in a change process for CFI participants as it provided information to help participants understand their financial situations and provided them with some tools such as budgets they could use to manage their finances.

6.2. Changes following the financial conversation

Qualitative and post-CFI feedback provide evidence of positive changes for participants in financial capability (attitudes and behaviours). Participants reported repaying loans (repaying more or starting to pay off old loans), spending less, saving more and having better understanding of their finances. They connected these changes with the financial conversations.

The changes participants described can be expected to improve participants' financial situations over time if maintained.

Statistically significant changes were not detected in comparison of the high-level baseline and post-CFI quantitative measures²⁷ over the evaluation timeframe.

The financial conversations and the size of the loans, while benefiting participants, must be seen in context of challenges getting by on low incomes and the short-term nature of the financial conversation. Self-assessments of worry and stress appeared to be more related to self-awareness, understanding and level of engagement with the details of their finances. The positive changes reported by participants as a result of receiving a loan may not have been sufficient to make a measurable impact on other aspects of their quality of life, given the depth of their problems.

6.3. Changes as a result of a loan

Participants most commonly received loans for vehicle purchase or repair. Participants described improved access to transport as increasing their ability to find employment or to maintain or improve their current employment. Other benefits extended to wider wellbeing for participants and their families (for example, access to needed home appliances or increased social connections from improved transport).

6.4. Overview

Taken together, the evaluation findings suggest participants benefited from CFI, developed their financial capability skills and made positive changes to their financial behaviours but still experienced ongoing levels of stress and worry due to their financial and broader life situations (for example, managing on a restricted income). Longer-term interventions and those specifically focussed on providing financial education may be more likely to provide stronger statistical evidence of change in the high-level baseline and post-CFI measures.²⁸ The quasi-experimental evaluation which is currently under way will provide further information on the impact of the CFI programme on client outcomes.

²⁷ Measures included; making use of community services; confidence in daily money matters; stress of life; control over finances; worry about finances; readiness to improve financial situation and managing unexpected expenses.

²⁸ Hastings, J., Madrian, B., & Skimmyhorn, W. (2012). Financial Literacy, Financial Education and Economic Outcomes. doi:10.3386/w18412

Community Finance Initiative: Evaluation consent

The Community Finance Initiative (CFI) is a new approach for assisting people in your community. We need your help to see how well the CFI is working and what changes we could make to improve it.

What is the CFI?

The CFI is a partnership between Government, BNZ, Salvation Army and Good Shepherd New Zealand. It provides zero-interest or low-interest loans to give people on low incomes access to finance options they wouldn't otherwise have.

What we are asking?

We would like to understand what difference the CFI process has made for you. We are interested in what happens even if you don't get a loan.

We are asking you to:

Agree that we can use the information you provide today for the evaluation – the person you speak with today will explain how.

Agree to let us provide the evaluators with your name and contact details. They will call you and ask you some more questions in four months. They may also call sooner to ask you some questions about your situation now.

You do not have to take part in the research

We would really like to hear from you but you do not have to take part. Your choice will not affect whether or not your loan is approved.

You can also agree to take part in only some parts of the research or you can change your mind later.

What you say is confidential

What you say to the researchers is private and your name will not be used in any reports. The researchers will not share what you say to them with Work and Income, the banks or anyone else.

Do you agree to take part?

I agree to take part in the evaluation and for the information discussed today to be used for the evaluation.

Name: _____ Signature: _____ Date: _____

I agree to be contacted by the evaluation team for the evaluation of CFI

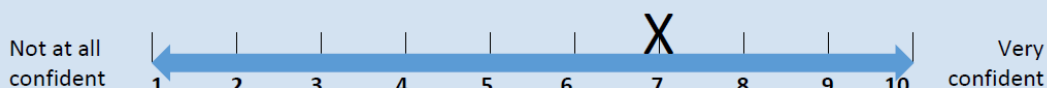
My phone number is: _____

My email address is: _____

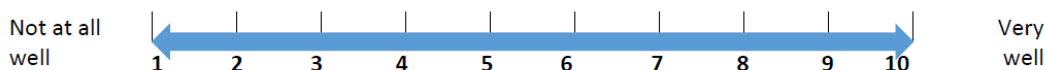
Evaluation of the Community Finance Initiative

Please write the name of the person answering these questions in the space below:

For each question just make a mark on the scale to show how close you feel you are to either end or the middle



1. How well do you make use of the services available in your community?



2. How confident are you in dealing with daily money matters?



3. How stressful is your everyday life?



4. How much control do you feel you have over your financial situation?



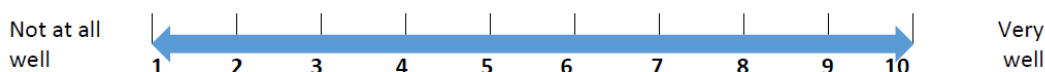
5. How worried are you about your financial situation?



6. How ready are you to improve your current financial situation?



7. How well would you be able to manage a large, unexpected expense?



For the following questions, just make a mark in the box that matches what you think:

Q8. Do you have a written plan for your finances?

Yes, I have a written plan

No, I don't have a written plan

Q9. Are you employed?

Yes

No

Q10a. Do you think the loan will help you stay in your job?

Yes

No

Maybe

Q10b. Do you think the loan will help you improve your job?

Yes

No

Maybe

Q11. Do you think the loan will help you improve your future job prospects?

Yes

No

Maybe

Q12. Are you willing to participate in an in-depth discussion over the phone or in-person? The discussion will explore the reasons for the answers you gave.

Yes, I am willing to participate in a discussion

No, I do not want to participate in a discussion

Would you like to add anything else:

Thanks for taking the time to complete this questionnaire!

Appendix 2 – Post-CFI survey



Community Finance Evaluation follow-up survey

1) Please enter your access code we sent you. If you can't find it, please enter your first and last names instead.

2) How helpful did you find the conversation you had with the Salvation Army for helping you to manage your finances? (1-Not at all helpful to 10-Very helpful)

3) How well do you make use of the services available in your community? (1-Not at all well to 10-Very well)

4) How confident are you in dealing with daily money matters? (1-Not at all confident to 10 Very confident)

5) How stressful is your everyday life? (1-Not at all stressful to 10-Very stressful)

6) How much control do you feel you have over your financial situation? (1-No control at all to 10-A lot of control)

7) How worried are you about your financial situation? (1-Not at all worried to 10-Very worried)

8) How ready are you to improve your current financial situation? (1-Not at all ready to 10-Very ready)

9) How well would you be able to manage a large, unexpected expense? (1-Not at all well to 10-Very well)

10) Have you made any of the following changes since meeting with the Salvation Army community finance worker? (Tick all that apply)

- Spending less on things I don't need
- Saving more money (or started saving regularly)
- Paying current debt off faster
- I understand my personal finances more now, because of the meeting
- Refinanced debt to get a better deal (e.g. lower interest rate)
- I have not made any changes
- Other changes (please describe below)

11) Which of these options best describes you

- I have a written budget which I use regularly
- I have a written budget but don't use it
- I don't have a written budget but I have an idea of how much I can afford to spend each week
- I don't have a budget

12) What was the loan for?

- Vehicle purchase
- Vehicle repairs or other costs (warrant, registration, etc)
- Computer
- Whiteware (e.g. fridge)
- Furniture
- Medical or dental expenses
- Other – Please describe below

13) Did you receive a loan from the Salvation Army? (Yes, No)

14) Please indicate how much you agree or disagree with the following statements

- The loan has helped me become more independent (1-Strongly agree to 5-Strongly disagree)
- The loan has helped provide me more reliable transport (1-Strongly agree to 5-Strongly disagree)
- The loan has helped provide me with household essentials (1-Strongly agree to 5-Strongly disagree)
- The loan has helped me with training /studying (1-Strongly agree to 5-Strongly disagree)
- The loan has made life less stressful (1-Strongly agree to 5-Strongly disagree)

If the loan helped you in any other way please write it down in the box below:

15) Are you employed?

- Yes - employed full-time
- Yes - employed part-time or casual
- Yes - employed part-time or casual but looking for full-time work
- No - but I am currently looking for work
- No - and I am not looking for work

16) Did the loan from the Salvation Army help you get/stay in your current job? (Yes, Maybe/sort of, No) If so, how did it help?

17) Has the loan helped to improve the chances of you getting a job? (Yes, Maybe/sort of, No) If so, how did it improve your chances of getting a job?

18) Has the loan helped to improve your job? (Yes, Maybe/sort of, No) If so, in what way?

19) Would you like to add anything else about your answers?

20) We are also interviewing some people who complete this survey. Tick this box if you do **not** consent to being contacted for a short interview