



**He kai kei aku ringa**  
The Crown-Māori Economic Growth Partnership



# Goal 3: Financial Literacy and Savings

Snapshot of financial literacy services for Māori

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Te Māngai Penapena Pūtea – Partner Working Group



The Financial Literacy and Savings Partner Working Group - Te Māngai Penapena Pūtea - has received support from the Ministry of Business, Innovation and Employment (MBIE) and Te Puni Kōkiri to complete this report. The report reflects the views of the Partner Working Group, and not necessarily those of MBIE or Te Puni Kōkiri, nor does it reflect Government policy.



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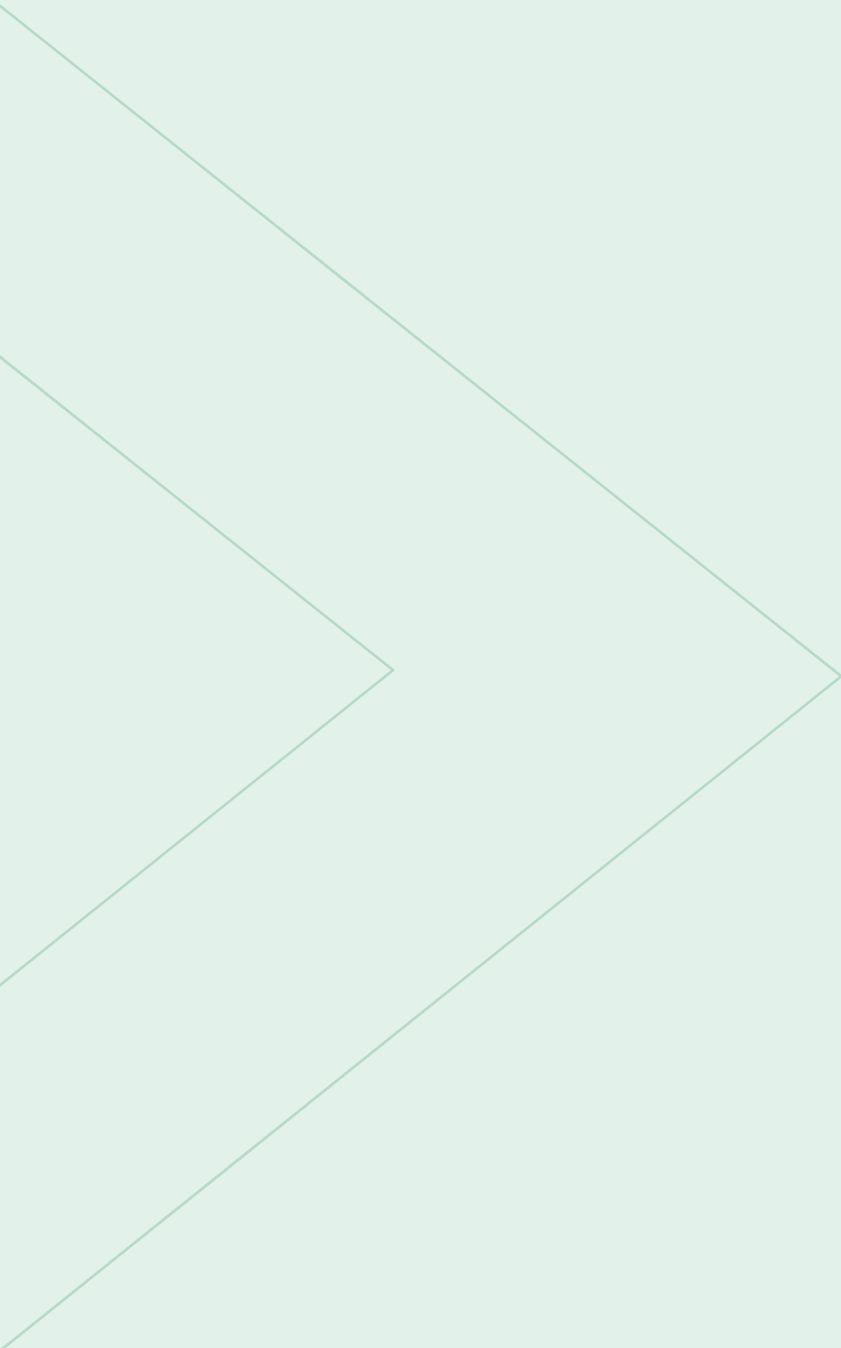
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**Ka tangi te tītī**

The migratory bird that searches the globe for economic opportunities, it is connected to the home, but with a global view.



**Ka tangi te kākā**

The bird of the forest resources the domestic market.

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# Executive summary

*Ehara taku toa i te toa takitahi,  
ēngari he toa takitini.*

My strength is not mine alone, but  
that of many.

This report has been developed by the Financial Literacy and Savings Partner Working Group (the Group) to support action towards Goal 3 of *He kai kei aku ringa*: Increased financial literacy and savings.

The report draws on our experiences, expertise and views from working with or being involved in financial literacy education and services for Māori communities. To add to our knowledge, the Group also undertook a review of existing research on financial literacy and conducted a number of small surveys.

We acknowledge that change is needed to increase Māori participation in the economy and consider that:

- a financially literate population will support the development of the New Zealand economy;
- increasing financial literacy amongst Māori is integral to lifting the Māori contribution to the economy under HKKAR;
- financial education is a key contributor to building financial literacy; and
- quality financial literacy services tailored to the needs of Māori whānau will support the development of financial literacy amongst Māori.

The term 'financial literacy' refers to the ability to make sound financial decisions. It allows whānau to make the most of their income and resources in order to achieve their aspirations.

In this report, we analyse the current financial literacy services that are offered to Māori whānau and compare that with our understanding of whānau needs to identify gaps in service provision.

We also identify a number of issues that we consider to be potential barriers to building Māori financial literacy:

- lack of awareness amongst whānau of financial literacy services available;
- lack of service provision in certain regions of New Zealand;
- use of delivery mechanisms that do not appeal to whānau;
- lack of awareness of the importance and benefits of financial literacy amongst whānau;
- lack of financial literacy services targeted specifically to whānau;
- lack of funding to deliver targeted financial literacy services;
- lack of service provision in relevant areas of financial literacy;
- lack of credibility of service effectiveness due to lack of programme evaluation and monitoring of participant outcomes;
- lack of delivery of financial education in schools; and
- lack of leadership to drive change.

Key process elements that we consider will need to be considered in tailoring services for Māori include:

- the importance of building relationships;
- long-term orientation;
- kanohi ki te kanohi – face-to-face interactions;
- whānau focus;
- te reo – language;
- tikanga – customs; and
- Māori attitudes and beliefs around self-determination.

In conclusion, we make a number of recommendations that we believe will help to ensure that financial literacy services are meeting the needs of Māori whānau.

We suggest service providers could consider:

- the case studies in this report and identify areas of relevance for their communities;
- engaging with their tutors, teachers and communities to identify ways to tailor services to better meet the needs of their Māori clients, for example, ensuring trainers have an understanding of te reo and tikanga;
- consistently evaluating the effectiveness of their offerings and using the findings to refine their services;
- establishing a feedback loop so that “best practice” processes for delivering financial education services to Māori can be promulgated through the professional development of tutors and teachers;
- the gaps in service provision mentioned in this report when refining their products and services; and
- identifying other service providers or organisations operating within their local or regional communities and exploring opportunities for collaboration (for example, a general financial education provider may be able to partner with a local iwi organisation or budgeting service to create a new product or service targeted directly to the needs of that community).

We suggest non-government, iwi and Māori organisations may like to consider:

- engaging with their whānau and communities to understand the financial literacy needs of those communities, and how well they are currently served;
- liaising with financial education service providers, as well as other community or private sector organisations or businesses, to advance new initiatives or programmes that could improve financial literacy of their whānau;
- encouraging whānau to pro-actively consider and discuss financial literacy, and promoting financial

literacy and savings as a “kitchen table” discussion topic for whānau;

- supporting and informing the feedback loop to service providers and government to ensure services, products and policy settings are guided by whānau and community feedback, and to help replicate successes for other communities; and
- iwi are encouraged and supported to include whānau financial capability as part of their long-term strategic direction and on-going annual planning.

Areas where we believe the Government could support the improvement of Māori financial literacy are:

- making funding available for the delivery of targeted financial literacy services;
- supporting research and evaluation, and the application of results to ensure best practice and the achievement of desired outcomes in financial literacy;
- supporting a variety of marketing campaigns to increase awareness of the importance of financial literacy as well as of the services available to Māori whānau; and
- considering the place, scope and efficacy of financial literacy education within the compulsory schooling sector.

The inclusion of financial literacy and savings as one of the six goals of HKKAR offers excellent opportunities for further kōrero, collaboration and development in this sector. In particular, we see opportunity to further develop leadership in this sector to drive forward many of the ideas we have discussed.

We look forward to engaging and working with the Māori Economic Development Advisory Board to consider how to support the development of this sector leadership, as well as to effectively link to the other goals and stakeholders working towards the implementation and achievement of *he kai kei aku ringa*.

# Introduction

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*Ekea te tiritiri o te moana.*

Ascend to the heights of your aspirations.

## Purpose

*This report aims to:*

- provide a 'snapshot' of services that aim to impart positive financial knowledge and behaviours to Māori whānau
- outline our understanding of the current levels of financial literacy among Māori whānau, and their needs and interests in financial literacy services;
- identify any gaps between the supply of services and the needs of Māori whānau; and
- recommend possible courses of action to ensure financial literacy services meet the needs of Māori.

We intend for this to enable financial literacy service providers and educators to draw conclusions about how their services can best meet the needs of Māori. We also hope this report will be useful for the Māori Economic Development Advisory Board, government agencies, and organisations such as the Commission for Financial Literacy and Retirement Income (the Commission) as they develop policy and provide services to whānau.





## Background

In 2011, the Minister of Māori Affairs and the Minister for Economic Development established an independent Māori Economic Development Panel (the Panel), and tasked the Panel with developing a Māori Economic Strategy and Action Plan. *He kai kei aku ringa: the Crown-Māori Economic Growth Partnership* (HKKAR) is the final Strategy and Action Plan. The Strategy describes the Panel's approach and thinking about roles and responsibilities, and its vision for the Māori economy, and sets out six goals to 2040. The companion Action Plan details 26 recommendations to achieve the six goals outlined in the Strategy.

HKKAR was launched in November 2012 and is currently being implemented across the public sector, private sector and Māori Inc. Five Partner Working Groups were established at the launch of HKKAR. The Partner Working Groups comprise private sector and non-governmental organisations that wish to contribute to the implementation of particular recommendations or goals of HKKAR.

The Financial Literacy and Savings Partner Working Group (the Group) comprises subject matter experts and representatives of organisations including:

- Philip Broughton, Chair (Commission for Financial Literacy and Retirement Income);
- David Kneebone (Commission for Financial Literacy and Retirement Income);
- Zella Morrison (Commission for Financial Literacy and Retirement Income);
- Charlotte Findlay (Commission for Financial Literacy and Retirement Income);
- Robyn Scott (Commission for Financial Literacy and Retirement Income);
- Teone Sciascia (Ngāi Tahu);
- Andrew Scott (Ngāi Tahu);
- Filippo McGrath (BNZ);

- Chris Rich (Te Tumu Paeroa);
- Diana Coben (University of Waikato);
- Teresa Tepania-Ashton (Māori Women's Development Inc.); and
- Manihera Forbes (Waikato-Tainui Te Kauhanganui Inc.).

Our group receives secretariat and analytical support from Te Puni Kōkiri.

Our member organisations have agreed to contribute to the implementation of Goal 3, including Recommendations 8 and 9 in HKKAR, related to increasing savings and financial literacy amongst Māori. We note that this Goal relates strongly to Goals 1 (greater educational participation and performance) and 2 (skilled and successful workforce).

Recommendation 9 focuses on ensuring financial literacy services are meeting the needs of Māori whānau. To support the implementation of Recommendation 9, we have prepared this report to set out a 'snapshot' of financial literacy services available in Aotearoa New Zealand, viewed against the wider international context, and the financial literacy needs of Māori whānau. We hope the conclusions of this report will enable members of the financial literacy sector to identify ways in which they can ensure their services best meet the needs of Māori whānau.

## Recommendation 9 from HKKAR is set out below:

<p><b>Recommendation 9:</b> Ensure financial literacy services are meeting the needs of Māori whānau</p>	
<p><b>Motivation for change</b></p>	<p>Māori whānau have lower rates of home ownership, assets and savings than non-Māori households.<sup>1</sup> The ANZ-Retirement Commission Financial Knowledge Survey carried out in 2009 indicated that Māori as a group have lower levels of financial knowledge literacy than other groups surveyed.<sup>2</sup> We believe financial literacy services could be more effective for Māori whānau if they were more specifically tailored towards Māori whānau.</p>
<p><b>Action</b></p>	<p>Commission for Financial Literacy and Retirement Income (CFLRI) to consider how its services could be better targeted, tailored and delivered to Māori whānau. CFLRI to work with individual iwi to ensure services are delivered in an effective way to their iwi, hapū and whānau.</p> <p>This should include investigating new ways to build whānau financial literacy, as well as considering alternative delivery mechanisms such as including financial literacy and budgeting services within the remit of services provided by Whānau Ora collectives.</p> <p>Improving financial literacy could also involve increasing awareness and transparency of reporting by iwi, land trusts and incorporations to enable whānau to understand the value of their holdings.</p>
<p><b>Agent</b></p>	<p>Government (CFLRI, Work and Income, MSD), Māori economists, iwi and land trusts, wānanga, and financial literacy and budgeting service providers.</p>
<p><b>Short- to medium-term output</b></p>	<p>Undertake consultation with iwi by end June 2013, to determine how to better reach whānau. Pilot the delivery of budgeting and financial literacy services through alternative delivery mechanism (such as Whānau Ora) by end 2013.</p>
<p><b>Long-term impact</b></p>	<p>Increased whānau savings and rates of home ownership. Increased uptake of KiwiSaver and other savings schemes. Increased awareness of value of collective assets.</p>

<sup>1</sup> Statistics New Zealand. *2006 Census Data: QuickStats about Housing*. Wellington, New Zealand; Retirement Commission and Statistics New Zealand (2001). *The Net Worth of New Zealanders: Their assets and debts*. Wellington, New Zealand.

<sup>2</sup> Retirement Commission (2009). *2009 ANZ-Retirement Commission Financial Knowledge Survey*. Wellington, New Zealand.

## Financial literacy and the importance to Māori

### What is financial literacy?

The term ‘financial literacy’ refers to the ability to make sound financial decisions. It allows whānau to make the most of their income and resources in order to achieve their aspirations.

The Commission defines financial literacy as “the ability to make informed judgements and effective decisions on the use and management of money”.<sup>3</sup>

Our views are consistent with the Commission’s definition, and include:

- the ability to make good financial decisions;
- the ability to develop an understanding of and interpret financial concepts;
- the ability to understand how money works and to manage one’s income and outgoings in order to achieve life goals; and
- the ability to understand the processes and data that surround financial, consumer and resource allocation activities.

We have also used the basic capabilities of a financially literate person identified by the Commission to inform our analysis. These are:

- setting goals and budgeting;
- managing income;
- spending;
- managing debt;
- saving and investing; and
- creating and protecting assets and wealth.<sup>4</sup>

We recognise that literacy and numeracy, in the sense used in the Programme for the International Assessment of Adult Competencies (PIAAC) (forthcoming with results due in 2014<sup>5</sup>) and in the Adult Literacy and Lifeskills (ALL) survey of 2006<sup>6</sup>, underpin financial literacy.

### What does financial literacy mean for economic development?

Personal financial literacy supports the development of the New Zealand economy as a whole, and increased financial literacy amongst Māori is integral to lifting the Māori contribution to the economy under HKKAR. As the HKKAR Action Plan notes, financial literacy allows whānau to make the most of their income and resources, and places them in the best position to build savings and financial assets – key aspects of economic self-determination.<sup>7</sup>

### Levels of financial literacy among whānau

Compared to New Zealand’s total population, Māori households are behind in terms of net economic wealth, with Māori household income 27% (\$5.5 billion) less than expenditure.<sup>8</sup> Lower rates of asset formation amongst Māori are shown in differences in home ownership rates – the 2006 census showed that 29% of Māori indicated that they owned or partially owned their own home, compared to 50% of New Zealand’s total population.<sup>9</sup>

In its Financial Literacy Strategy for Māori, the Commission notes that while some Māori perform well in the financial and economic sectors, Māori as a group tend to have low levels of financial literacy.<sup>10</sup> The Commission’s 2013 National Survey results show

<sup>3</sup> Commission for Financial Literacy and Retirement Income. (2012). *Charting a course: A review of financial education in New Zealand*. Wellington, New Zealand, p. 5.

<sup>4</sup> *Charting a course: A review of financial education in New Zealand*, op. cit., p. 9.

<sup>5</sup> Programme for the International Assessment of Adult Competencies (PIAAC) International Survey of Adult Skills (ISAS). (2014). Retrieved from <http://www.educationcounts.govt.nz/topics/research/piaac>.

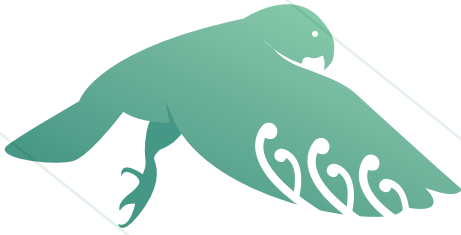
<sup>6</sup> The Adult Literacy and Life Skills (ALL) Survey: Overview and International Comparisons. (2008). Retrieved from <http://www.educationcounts.govt.nz/publications/literacy/19491>

<sup>7</sup> *He kai kei aku ringa: the Crown Māori Economic Growth Partnership – Action Plan*, p.16.

<sup>8</sup> BERL (2011). *The Asset Base, Income, Expenditure and GDP of the 2010 Māori Economy*.

<sup>9</sup> Statistics New Zealand. 2006 Census Data: QuickStats about Housing.

<sup>10</sup> Commission for Financial Literacy and Retirement Income (2012). *Financial Literacy Strategy for Māori*. Wellington, New Zealand.



that 43% of the Māori participants fall into the low financial knowledge group, down from 56% in 2009 but significantly higher than the 22% of New Zealand Europeans in the same group.<sup>11</sup>

### Supporting the development of financial literacy amongst Māori

We believe that financial education is a key part of supporting the development of personal financial literacy. We further think that personal financial literacy among Māori whānau can be improved by ensuring the services available to whānau both meet their needs, and represent quality services. **Quality** financial literacy services are accessible, relevant, balanced and tailored to learners' needs.<sup>12</sup>

Tailoring services for Māori learners includes the following considerations:

- the importance of building relationships;
- long-term orientation;
- kanohi ki te kanohi – face-to-face interactions;
- whānau focus;
- te reo – language;
- tikanga – customs; and
- Māori attitudes and beliefs around self-determination.

We have considered these factors in identifying gaps between current service provision and the financial literacy needs of whānau.

## Financial literacy services in the wider international context

A recent international review of approaches to the delivery of financial education for financial inclusion, undertaken for the Organisation of Economic Cooperation and Development (OECD) highlighted challenges faced and solutions found.<sup>13</sup> The report found that while there is an association between financial literacy and financial inclusion, more research and evaluation is necessary to explore the relationship between financial literacy and financial inclusion, and to identify the impact of financial education initiatives on financial inclusion.

The following selected recommendations from the report, summarised below, may be relevant to Aotearoa New Zealand:

- a joined-up approach combining different policies and bringing together various stakeholders is beneficial
- the needs and experiences of young people should be taken into account
- when implementing financial education policies, it is often necessary to identify trusted intermediaries
- some of the creative solutions found to the challenge of reaching target groups offer significant hope. These include, for example, initiatives combining financial education with the provision of microfinance services and designing tailor-made products for financial education participants with features that address identified barriers to financial inclusion for particular groups.

<sup>11</sup> Commission for Financial Literacy and Retirement Income (2013). *Financial Knowledge and Behaviour Survey 2013*. Wellington, New Zealand.

<sup>12</sup> *Charting a course: A review of financial education in New Zealand*, op. cit., p. 9.

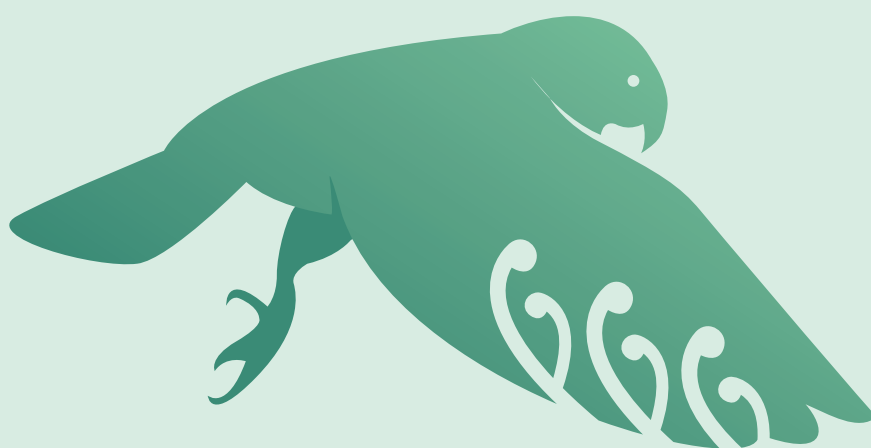
<sup>13</sup> Atkinson, A. and F. Messy (2013), "Promoting Financial Inclusion through Financial Education: OECD/INFE Evidence, Policies and Practice", OECD Working Papers on Finance, Insurance and Private Pensions, No. 34, Paris: OECD Publishing. <http://dx.doi.org/10.1787/5k3xz6m88smp-en>

## Overview of methodology

In addition to reviewing existing studies, between June and November 2013 we surveyed a range of service providers and consulted with Māori to gain a better understanding of the financial literacy needs of whānau and whether current activities are meeting those needs. This report reflects the findings of these surveys and consultation, and has been informed by our experiences, expertise and views from working with or being involved in financial literacy services or education for Māori communities. It also draws from the experiences implementing the Commission for Financial Literacy and Retirement Income's Māori strategy, and experiences shared at the Commission's summit held this year in Auckland.

It is important to note that the Partner Working Groups established under HKKAR are not publicly funded, but rather operate under the common interest of group members. As such, our approach to preparing this report has been somewhat constrained by the availability of resources.

This report draws on a June 2012 review of financial education in New Zealand, undertaken by the Commission, with the support of Visa.<sup>14</sup> This review was based on research undertaken in October-December 2011 and focussed on formal financial education programmes across New Zealand. The Commission's findings have been referenced where relevant, though this report aims to focus on financial literacy services through the lens of Māori needs.



<sup>14</sup> *Charting a course: A review of financial education in New Zealand.*

# Current provision of financial literacy services

*He waka kōtuia kāhore e tukutukua ngā mimira.*

A canoe that is interlaced will not become separated at the bow.

## Methodology

Between June and October 2013, we circulated scoping surveys to a range of financial literacy service providers. Those targeted included participants at the Commission's Financial Literacy and Retirement Income Summit held in Auckland in June 2013 (74 people representing 59 organisations), budgeting service providers identified by the Ministry of Social Development (27 providers), as well as Whānau Ora provider collectives. The surveys aimed to gain a better understanding of the current landscape of financial literacy service provision available to Māori, including the content of services, delivery mechanisms, target audiences and the geographic spread and reach of service provision.

In total, 28 service providers responded to the survey. A range of organisations responded, as indicated in the figure below.

**Figure 1: Type of organisation**



## Survey results

This section provides an overview of the aggregated survey responses. Please note that individual respondents were able to provide multiple responses to the survey questions, and more than one individual from each provider was able to respond, so the number of responses to each question varies and does not equal the total number of survey respondents.

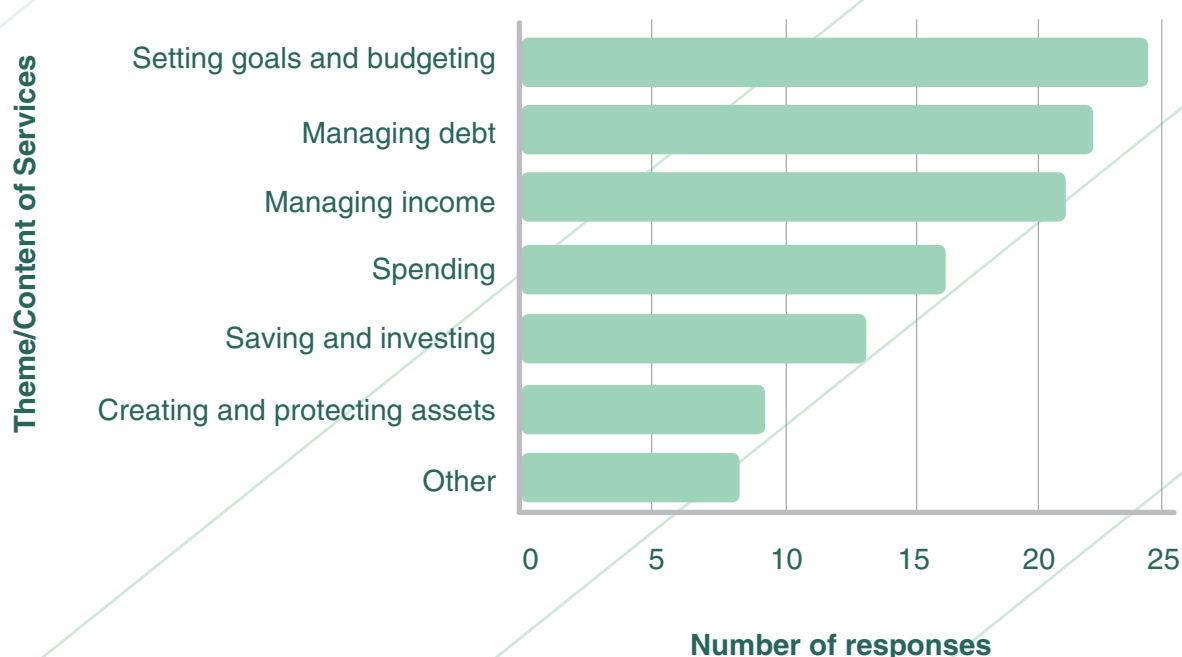
### Theme and content

Of the 29 responses indicating the main themes of the respondents' financial education services, 24 noted a focus on setting goals and budgeting, while 22 and 21 indicated services addressing managing debt and managing income, respectively. Together, these three topics account for almost 60% of the services noted in respondents' submissions. The spread of responses is demonstrated in the figure below.

Our survey results support the findings of the Commission's research that there is a focus on the "front end" of financial literacy, namely setting goals, budgeting and managing income and expenditure and debt, rather than more long-term capabilities, such as saving, investing and protecting wealth.<sup>15</sup> These "front end" topics are the core competencies, and form the foundation for more advanced financial literacy capabilities.

The focus on services covering these core competency areas may reflect the need among whānau for foundational training; for instance to learn how to manage income in such a way that enables saving and investing. It may also reflect the skill strengths of financial education tutors, who are often more familiar with planning and budgeting and more comfortable teaching these topics.<sup>16</sup>

**Figure 2: Theme/content of financial literacy services**



<sup>15</sup> Charting a course: *A review of financial education in New Zealand*, op. cit., p. 5.

<sup>16</sup> Charting a course: *A review of financial education in New Zealand*, op. cit., p. 12.

### Delivery mechanism

Most of the survey respondents deliver financial literacy services in a workshop setting on their premises, or through one-on-one mentoring at whānau homes.

The delivery mechanisms indicated by survey respondents are shown in the figure below.

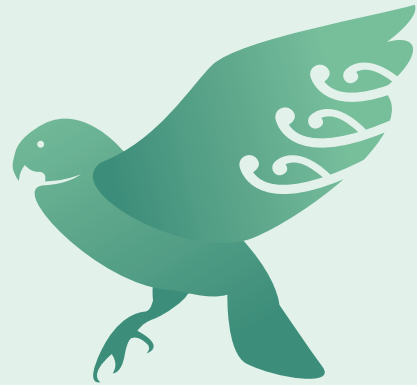
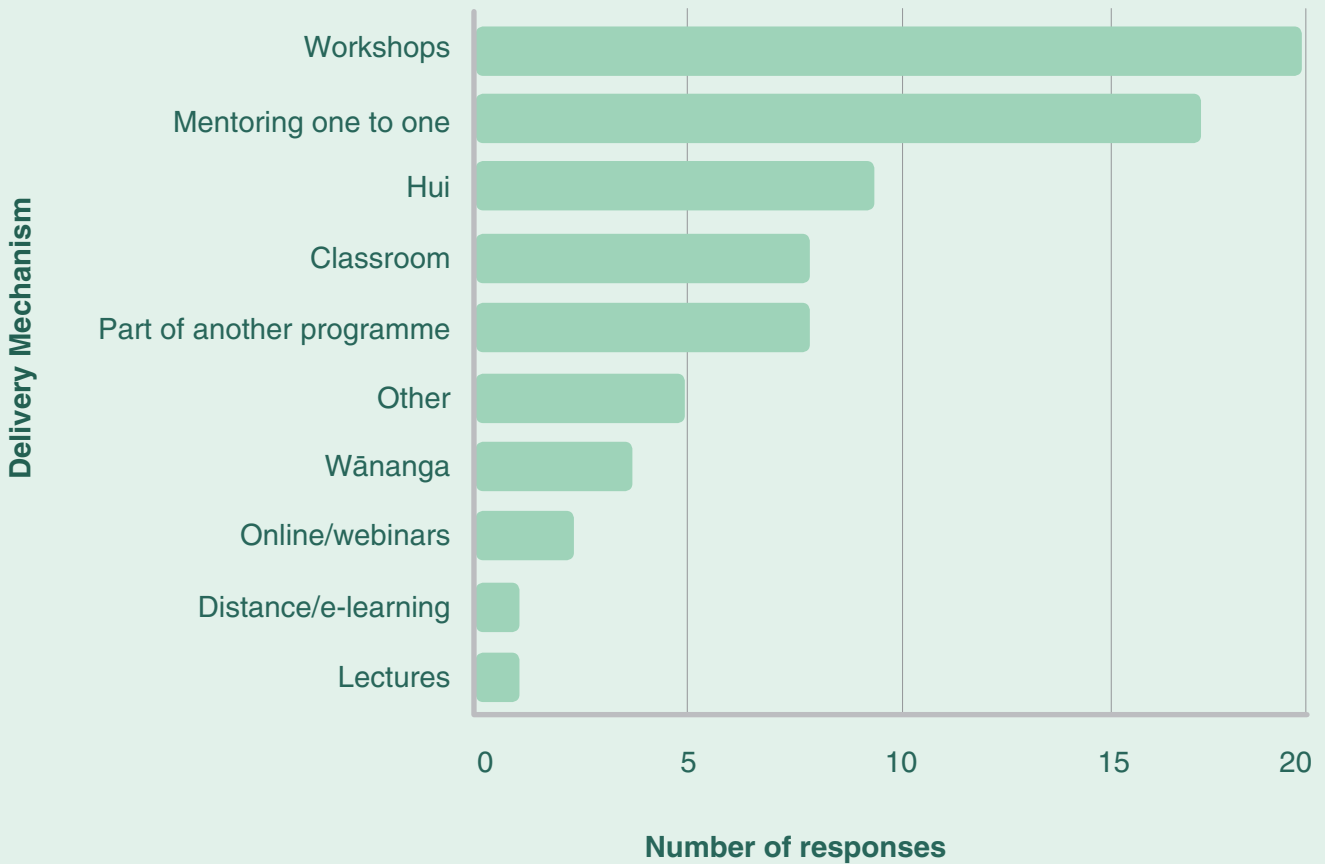


Figure 3: Delivery mechanisms



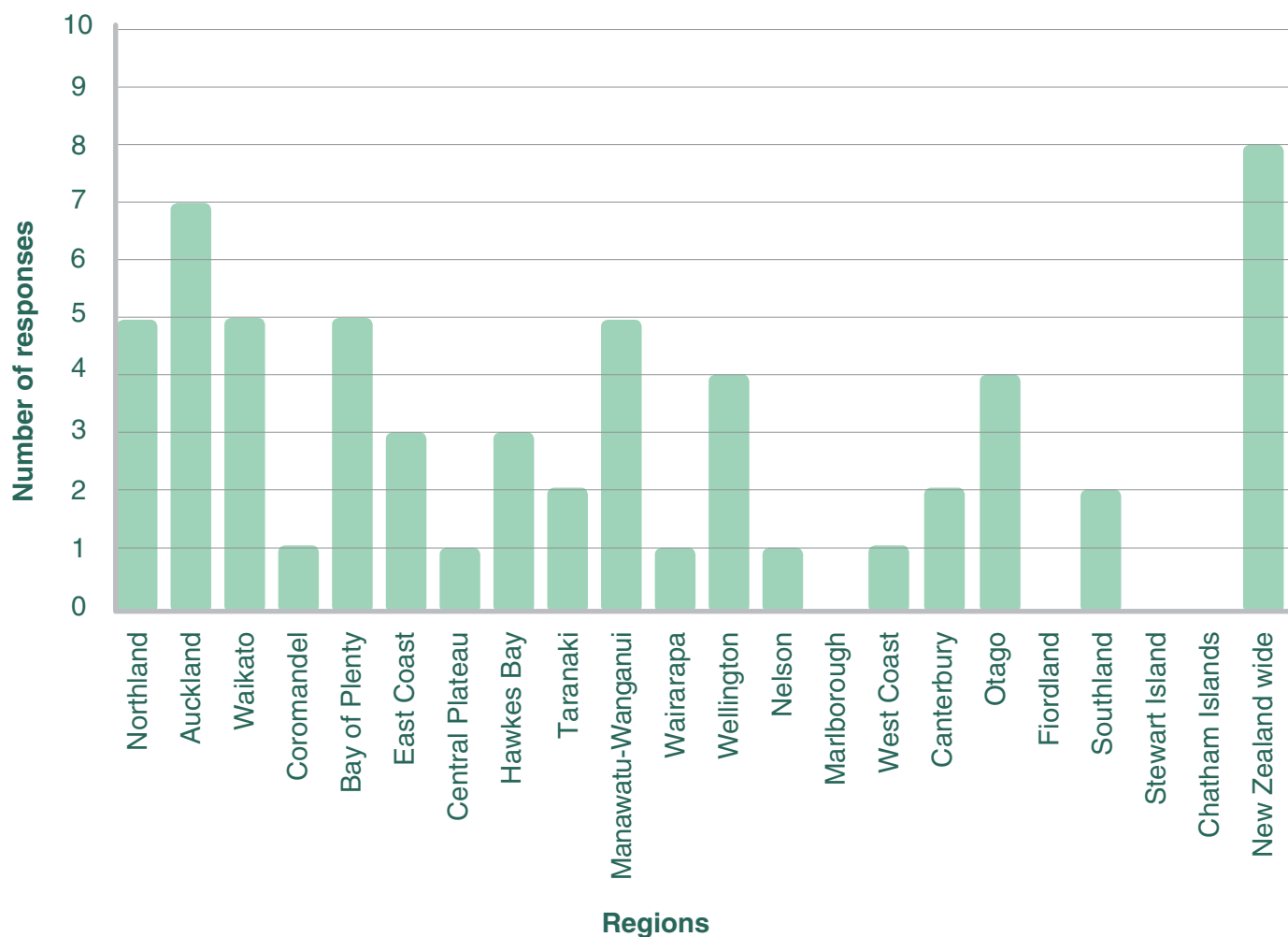


## Geographic spread

A majority of the service providers we surveyed offer services in the North Island (42 responses), while only ten responses indicated service offerings in the South Island. Our survey group did not include any respondents that provide services in Marlborough, Fiordland, Stewart Island or the Chatham Islands, although the mix of survey respondents was not a representative sample.

A number of providers we surveyed, however, do offer services across the whole of New Zealand. These may encompass online services accessible to all New Zealanders. The geographic spread of respondents surveyed is shown in the following figure.

**Figure 4: Region**





## The New Zealand Curriculum

We acknowledge the important part that the education of children plays in improving financial literacy rates, not only for the children as individuals but as future teachers of their whānau.

While not a mandatory learning area, developing financial capability is highlighted in the New Zealand Curriculum as an example of the type of theme that schools could use for effective cross-curricular teaching and learning programmes.<sup>17</sup> The Ministry of Education provides a number of resources and case studies on the New Zealand Curriculum website to support teachers in delivering financial education to students. In addition, schools can request support for teacher professional development on financial literacy, which is funded by the Ministry of Education.

## Services targeted for Māori whānau

Financial education in New Zealand is diverse in content and delivery. There are a number of formal financial education programmes available to New Zealanders, delivered by providers including banks, tertiary institutions, government agencies, NGOs and private organisations. There is a wide range of delivery mechanisms as well, from classroom workshops to online programmes and tools.

Financial literacy services tailored to Māori needs and culture, however, are not as developed as general financial education. The following sections highlight some case study examples of Māori-specific financial literacy programmes and providers, many of which come from our member organisations.

## BNZ's Māori Financial Literacy programme

BNZ launched its "Good with Money" programme in September 2013. The programme offers a series of resources specifically designed to enable users to grow specific skills to aid their money management, and is available on BNZ's website. The programme is culturally generic, operating under the approach that basic transferrable money management skills (i.e. recognising wants or needs, identifying fixed or flexible costs, identifying where in a budget adjustments can be made and knowing what is important for long-term financial well-being) are built in a similar way, despite cultural differences in approaching money management.

Where this programme is relevant to Māori in particular is in appropriate delivery. The programme uses a network of BNZ staff of Māori descent to facilitate presentations where appropriate and available. BNZ has access to an ethnically diverse network of financial literacy facilitators that enables it to draw on cultural leadership where needed.

BNZ has also created a whānau-centric workbook programme called Whānau Financial Literacy, which has been launched with an initial cohort of five families in November 2013. Each whānau receives a workbook and works with two BNZ mentors (one Māori and one non-Māori and a tāne/wāhine combination) for the duration of the 10-week programme. Workbooks cover the basics around financial management, and include topics such as:

- understanding financial behaviour;
- setting goals;
- understanding a budget;
- keeping a spending diary;
- taking on and getting out of debt; and
- saving for big things and a rainy day.

<sup>17</sup> <http://nzcurriculum.tki.org.nz/Curriculum-resources/Financial-capability/Financial-capability-and-the-NZC/Curriculum>, p.39, 2007

## Te Rūnanga o Ngāi Tahu

Te Rūnanga o Ngāi Tahu (Te Rūnanga) has been actively involved in the development and delivery of financial literacy resources for Ngāi Tahu whānui over the past seven years. Kaupapa covered in these resources range from basic core competencies of personal financial management through to investor education. The main driver for this engagement in financial education was the establishment of Whai Rawa, an incentivised savings programme for registered Ngāi Tahu whānau.

Te Rūnanga continues to promote to whānau the use and availability of financial literacy resources from other sources such as Sorted and Open Wānanga.

Current initiatives Te Rūnanga is involved in include:

1. Tairākau – an online financial literacy digital resource and smart phone app specifically designed for Māori with an emphasis on targeting those who are underserved in our communities. The resource has a strong focus on long term behavioural change of participants. The resources are being developed in stages with phase 1, which targets 16-26 year olds, due to be available mid-2014. Tairākau will be available for anyone to use at no cost.
2. Games Based Learning – An initiative which began during MoneyWeek 2013 uses games based learning as a means to make delivery of financial education fun whilst providing learning experiences for whānau without the consequence of bad decisions.
3. Information and resource sharing – via various media, Te Rūnanga regularly shares a wide range of material to engage whānau with financial literacy.
4. Papatipu Rūnanga Capability – Te Rūnanga is investigating the need and desire of kaupapa Māori services being established in the communities it is a part of. These services are aimed at breaking down some of the challenges whānau are faced with.

## Māori Women's Development Inc.

Māori Women's Development Inc (MWDI) is concerned with the economic development of Māori women and their whānau, ensuring that Māori share in and contribute equitably to the cultural, economic, social and political achievements of Aotearoa.

MWDI strives to be an organisation that offers affordable options for Māori women and their whānau to create sustainable economic opportunities by offering last resort funding at affordable rates to both establish and expand businesses.

MWDI recognises the need for financial literacy in all aspects of life, therefore mentoring and financial services are also provided to clients as a key requirement.

MWDI also delivers financial programmes to youth by aspiring our future generation into business.

### **MaiBiz**

The MaiBiz entrepreneur and business workshop is a three day, hands-on business experience for year 12-13 students. The three day programme is run for approximately 80 participants, who are then divided into teams of eight. The teams brainstorm a business idea, choose a leader and attend workshops run by facilitators to provide them with information needed to turn a business idea into a successful business. These are workshops on leadership, marketing, production, and finance with particular focus on financial literacy within a business. On the final day, the teams construct an 'expo style' stand to promote their business idea to guest judges (business people in their respective communities), aiming to be the team that wins the award for entrepreneurial excellence. MWDI is now in its seventh year of offering this programme, targeting low decile schools throughout New Zealand.

Although MaiBiz is an enterprise or business education programme, rather than a household financial literacy education programme, we consider it useful to include it in this report, as it contributes to the financial education of our rangatahi.

### **Te Wero Pakihi**

Te Wero Pakihi (TWP) was piloted in July 2013. 30 students from around the country who were graduates of MWDI's MaiBiz programme were chosen to travel to AUT's Auckland campus on an all expenses paid, three day business workshop.

As an evolution of the successful MaiBiz programme, TWP is an innovative workshop designed to continue to expand the skill and knowledge set of our youth. MaiBiz introduces the 'building blocks' of successful business in a theoretical business scenario. TWP goes one step further and provides business challenges in the real world by introducing participants to the challenges of running a real company.

Like the MaiBiz programme, Te Wero Pakihi is a business education programme, however, it is due for expansion this year. In 2014, MWDI shall be expanding the program to run in two major centres throughout New Zealand, partnering with Westpac who will introduce one of their own business clients as an industry partner. Once again, emphasis is on financial literacy with the bank introducing financial smarts to prepare youth for the future. This will also be supported by a full-day workshop delivered by Massey University's Financial and Research Centre (Fin-Ed Centre) assisting and training participants on how to manage their finances. Massey University will be MWDI's tertiary provider for 2014.

### **Ka Rere to Manu**

A pilot programme to 'train the trainers' has commenced with Ngāpuhi's Whānau Ora Collective, "Te Pu O Te Wheke", whereby MWDI in partnership with Massey University's Financial and Research Centre have commenced training 18 facilitators in a Certificate for Facilitating Personal Financial Management. The certificate is designed to provide facilitation skills to educators/facilitators who will be facilitating or presenting personal financial management in a classroom, small group or one to one situation within their communities. In addition, trainees are required to complete a minimum of

three reflective journals identifying learnings, challenges, and solutions they have applied and achieved with the families they are working with. It is also a requirement that they identify their own journey towards better financial management.

Te Pu o te Wheke Whānau Ora Collective has now requested an introduction to the programme based on the positive feedback received by each of the trainees, and an additional programme for other staff to commence soon after.

MWDI has equipped each of the trainees with IT to assist with communications and the storing and uploading of documents. This provides an excellent opportunity for trainees to record whānau journeys and identify the tools being used.

A graduation for both the trainees and whānau participating took place in March 2014, where programme objectives were celebrated. Highlight results included:

- 18 trained Personal Financial Literacy Facilitators
- 100% pass rate, with all participants receiving certifications from Massey University Fin-Ed Centre
- Collective savings including reduced debt of both facilitators and the whānau they worked with, reaching in excess of \$10,000 over a four-month period
- Lifestyle changes such as reduced smoking and takeaways, and more conscious day-to-day spending habits
- Transformational change in habits and attitudes towards managing personal finances.

An added value is that MWDI has offered its loan services through the project in order to capture whānau who wish to start their own businesses.

This programme is already receiving momentum with a number of other Iwi and Māori organisations showing interest for their communities.



## Te Wānanga o Aotearoa

Te Wānanga o Aotearoa is the largest Māori tertiary education institution in New Zealand, offering education programmes from certificate to degree level from more than 80 locations.

### **Certificate in Money Management**

Among the certificates available is a Certificate in Money Management, which focuses on:

- money and debt management, including developing an awareness of one's current financial position and money habits;
- wealth creation and protection, including various financial products that can be used for retirement savings, types of insurances to secure one's financial situation, and using trusts as a form of asset protection;
- property investment, including home ownership, as well as how to build wealth by buying investment properties; and
- equity and other investments, including key concepts relating to share markets and conducting an evaluation of a business for investment purposes.<sup>18</sup>

The Certificate in Money Management is a 20-week programme available nationwide. It requires attendance at one class per week, a workshop every three weeks and a set amount of study hours.

### **Papa Whairawa**

Open Wānanga is a part of Te Wānanga o Aotearoa that focuses on the delivery of home-based programmes, such as Papa Whairawa. Papa Whairawa is a financial literacy programme for people wanting to develop personal money skills, understand better the financial products and services available, and set goals and plan for life events such as retirement. It is a free part-time, home-based and

kaitiaki supported programme over the course of nine months that is designed around individuals' lifestyles. The programme offers resources including CDs, DVDs and journals, as well as ongoing support from a designated kaitiaki.<sup>19</sup>

## Te Rūnanga o Kirikiriroa Trust

Te Rūnanga o Kirikiriroa is a Kaupapa Māori organisation that provides a number of social services to families and individuals.

The organisation's Budget Advisors run financial literacy groups targeted at whole families rather than individuals, as they recognise successful financial wellbeing amongst whānau as a relational/emotional issue rather than a mathematical one.

The group *Strengthening Whānau through Financial Literacy* teaches basic financial literacy skills to whānau and identifies a number of behavioural solutions to resolve financial symptoms that can emerge from relationship weaknesses. The groups meet in the evenings at Te Rūnanga, which adds a cultural richness from being in a Kaupapa Māori environment.

## Commission for Financial Literacy and Retirement Income

The Commission is committed to the Māori Strategy for Financial Literacy (refer to Appendix 1), which aims for all Māori to have appropriate skills to improve their financial wellbeing and that of their own whānau, hapū and iwi. This commitment is evident in the recent employment of a full time person to work with Māori as well as Pacific communities and to support the implementation of the Māori Strategy for Financial Literacy.

The Sorted website is run by the Commission, and offers users free access to resources and tools to help

<sup>18</sup> Te Wānanga o Aotearoa. (n.d.). *Certificate in money management*. Retrieved from <http://www.twoa.ac.nz/Nga-Akoranga-Our-Programmes/Science,-Business-and-Technology/Certificate-in-Money-Management.aspx>

<sup>19</sup> Open Wānanga. (n.d.) *Papa Whairawa*. Retrieved from <http://www.openwananga.ac.nz/index.php/our-programmes/papa-whairawa>



with managing personal finance throughout various life stages.<sup>20</sup> It also offers booklets and seminar materials that cover a range of topics from setting goals and budgeting to investing and retirement planning. A new Sorted site, launched in March 2012, includes a motivational component, targeted at users who have the potential to change their financial position but have not yet taken action.<sup>21</sup>

While not specifically tailored for Māori users, the 2010 ANZ Ngāi Tahu Financial Knowledge Survey, which surveyed 400 Ngāi Tahu iwi members, found that 43% of respondents had read a Sorted booklet or visited the Sorted website, a rate significantly higher than the national average of 34%.<sup>22</sup>

### MoneyMinded Aotearoa

MoneyMinded is ANZ's flagship adult financial education programme that helps people improve their money skills, knowledge and confidence.

It was developed in 2003 in response to ANZ's research into adult financial literacy in Australia. ANZ wanted to find a way to share its expertise and help those most in need, in conjunction with the community organisations they know and trust.

Government, community sector and education experts contributed to the development of MoneyMinded. The programme continues to be managed and funded by ANZ and has reached more than 200,000 people across Australia and, more recently, New Zealand and the Asia and Pacific regions.

In New Zealand, ANZ ran a pilot MoneyMinded programme with Ngāi Tahu in 2010 and has since partnered with the Solomon Group to deliver MoneyMinded. The Solomon Group is a South Auckland-based private training establishment. They offer programmes which focus on literacy, self-development and supported pathways into either employment or appropriate further training.

ANZ trained staff from the Solomon Group who became accredited MoneyMinded facilitators. The Solomon Group assisted ANZ to adapt MoneyMinded materials for people with low literacy levels. Their staff embed MoneyMinded content into existing literacy and numeracy course material. Over 350 students of the Solomon Group have completed the MoneyMinded programme.

ANZ is in discussions with other iwi about offering the MoneyMinded programme to community members. The bank also runs MoneyMinded programmes in workplaces of some of its commercial clients.

### Massey Financial Education and Research Centre (Fin-Ed Centre)

The Fin-Ed Centre is a joint initiative between Massey University and Westpac, and aims to help New Zealanders become more financially savvy by improving their knowledge, attitudes and behaviour towards money. The Centre undertakes research, provides education and is involved in other organisations' projects on a consultancy basis.

The Centre's education work comprises a series of certificate courses designed for people who want the skills to take charge of their personal finances or those who want to facilitate or teach financial literacy to others.

These certificates are available generally or can be taught to a specific cohort, with the first iwi-based cohort currently underway and plans for more under negotiation. Some of the consultancy work being undertaken is for Māori organisations.

A key research project is a 20-year longitudinal study with a cohort of 318 young people, aged 18-22 at the time of the initial study in 2012. The study includes a sub-cohort of 52 young people of Ngāi Tahu descent, which is reported on separately.

<sup>20</sup> Commission for Financial Literacy and Retirement Income. (n.d.) Sorted. Retrieved from <https://www.sorted.org.nz>

<sup>21</sup> Charting a course: A review of financial education in New Zealand, op. cit., p. 9.

<sup>22</sup> Te Rūnanga o Ngāi Tahu. (2010). *2010 ANZ Ngāi Tahu Financial Knowledge Survey*. p. 4.



# Financial literacy needs of Māori

*He aha te mea nui o te ao?*

*He tangata! He tangata! He tangata!*

What is the most important thing in the world?

It is people! It is people! It is people!

## Methodology

This section of the report has been informed by formal and informal consultation with Māori. We also sought the opinions of 40 of the Group Chairman's iwi contacts through an email questionnaire. The questionnaire aimed to identify the financial literacy topics about which whānau are most interested in learning.

We acknowledge this is a small sample size, and with this comes limitations in the reliability and representativeness of our results. However, we consider we obtained useful qualitative data. We also note that only very limited data is available regarding the needs and demands of whānau in terms of financial literacy services, and we wish to share our results to help inform this growing picture.

## Questionnaire results

A number of themes emerged from the responses to the questionnaire, outlined below:

- A majority of respondents took a medium to long term view of financial literacy, and indicated interest in learning about topics such as retirement planning, investing and insurance.
- There was moderate interest in learning about budgeting, growing savings, financial planning and asset protection.

- There was only minimal interest in the more day-to-day topics, including credit cards, managing debt, personal loans, bank fees and getting through the week.

A more detailed breakdown of the questionnaire responses is provided in Appendix 2. While we again acknowledge the small sample size, it is interesting to note that the responses do not appear to align with the provider focus on the “front end” of financial literacy (e.g. setting goals, budgeting and managing income and expenditure and debt), though the indicated interest in long-term capabilities may not be supported by a foundational understanding of those core competencies.

## 2010 ANZ Ngāi Tahu Financial Knowledge Survey

The results of the 2010 ANZ Ngāi Tahu Financial Knowledge Survey support the analysis of the financial literacy needs of Māori. The survey identified the following areas in which survey respondents differed from the national average:

- 42% of respondents indicated that they save money on a regular basis compared to the national average of 49%.
- 12% of respondents indicated that they do not keep track of expenses compared to the national average of 5%.
- 59% agreed that investing is a way to achieve financial goals compared to the national average of 72%.
- 28% think that people with KiwiSaver will have an adequate retirement income, which is significantly higher than the national average of 21%.
- 24% indicated that they spend all their income as it is received compared to the national average of 16%.



- 13% indicated that they do not need to save for retirement because of NZ Superannuation compared to the national average of 7%.
- When asked to identify the scenario that would require the greatest amount of life insurance, 87% selected the correct scenario compared to the national average of 93%.
- To demonstrate an understanding of compound interest, when asked to identify the scenario that would pay the most interest, 28% answered correctly compared to the national average of 37%.
- 49% of respondents had thought about financial planning for retirement “a lot” or “a little bit” compared to the national average of 56%.<sup>23</sup>

The conclusions of the survey highlight specific areas of potential need around which we think financial literacy efforts could be usefully focussed. First, respondents had a common perception that there is less need to think about and plan for retirement because of NZ Superannuation and KiwiSaver.<sup>24</sup> Additionally, the survey revealed that respondents are less likely to see the benefits of investing in achieving financial goals, evidenced by the lower than average rates of savings among respondents.<sup>25</sup>

It is important to note that this survey included 400 Ngāi Tahu iwi members aged 18 years or over. The results may be different for New Zealand’s Māori population as a whole, particularly considering the effort Ngāi Tahu has put into developing personal financial literacy among its iwi members.

## Financial Knowledge and Behaviour Survey 2013

As with the 2010 ANZ Ngāi Tahu Financial Knowledge Survey, the Commission’s 2013 National Survey highlights gaps in certain areas between the national average and the average of Māori respondents.

According to this survey, Māori are less likely than the national average to:

- utilise internet banking (48% compared to the national average of 59%);
- pay off credit card debt in full (33% compared to the national average of 57%); and/or
- invest somewhere other than KiwiSaver (47% compared to the national average of 59%).<sup>26</sup>

On the other hand, the results of the 2013 National Survey show that Māori are more likely than the national average to:

- use a seminar, course, or education programme to obtain financial information or advice (8% compared to the national average of 4%);
- state they used budgeting advisory services to obtain financial information or advice (14% compared to the national average of 4%);
- obtain financial information or advice from a church (6% compared to the national average of 2%);
- state they used the Citizens Advice Bureau to obtain financial information or advice (6% compared to the national average of 2%); and/or
- state they have at some time read a Sorted booklet or visited the Sorted website (53% compared to the national average of 37%).

This indicates an above average willingness amongst Māori to use financial literacy services, or at least an acceptance of seeking information or advice from service organisations.

### Key factors for financial literacy programmes

Also as part of the 2013 Financial Knowledge and Behaviour Survey, a series of regression analyses were carried out to determine which types of knowledge directly predict key behaviours. The results of these analyses suggest that four knowledge factors are particularly important for those designing financial literacy programmes, because knowledge of these

<sup>23</sup> 2010 ANZ Ngāi Tahu Financial Knowledge Survey, op. cit., pp. 2-7.

<sup>24</sup> 2010 ANZ Ngāi Tahu Financial Knowledge Survey, op. cit., p. 10.

<sup>25</sup> 2010 ANZ Ngāi Tahu Financial Knowledge Survey, op. cit., p. 10.

<sup>26</sup> Commission for Financial Literacy and Retirement Income (2013). *Financial Knowledge and Behaviour Survey 2013*. Wellington, New Zealand.



factors predicts a wide range of positive financial behaviours.

The four knowledge factors that predicted the widest range of financial behaviours are:

1. numeracy;
2. understanding of budgeting, saving, and planning;
3. understanding how to minimise costs and interest on debts; and
4. understanding home loans.

Although a less consistent predictor overall, understanding of New Zealand superannuation also appeared to be a fairly important predictor of financial behaviours, and was a particularly strong predictor of investing somewhere other than in KiwiSaver and having access to an emergency fund.

### Findings relating to Māori

A series of statistical tests was carried out to determine whether the 135 Māori that were surveyed differed from the 717 non-Māori on the above four knowledge factors, and on understanding of New Zealand superannuation. The results of those tests confirm that Māori score lower than non-Māori on all of these factors except understanding home loans.<sup>27</sup>

## 2013 Fin-Ed Centre Longitudinal Study – Ngāi Tahu Sub-cohort

The Fin-Ed Centre has undertaken the first stage in a 20-year longitudinal study designed to contribute to better understanding of issues related to the level of financial literacy in New Zealand.<sup>28</sup> This phase of the study compares the experiences of young Ngāi Tahu with young people from the rest of New Zealand. The initial analysis suggests that, in general, the results for the Ngāi

Tahu sub-cohort are in line with those of other young New Zealanders, although some differences do exist.

The key similarities between young Ngāi Tahu and other young New Zealanders are:

- financial literacy levels are low;
- informal financial education occurs, and has an impact on young people's knowledge of and attitude towards personal financial management;
- parents are the primary source of personal financial management information;
- young Ngāi Tahu are scared of debt; and
- while young Ngāi Tahu often know the 'right' thing to do in theory, they don't do it in practice.

The significant differences between young Ngāi Tahu and other young New Zealanders were that young Ngāi Tahu:

- are more likely to have retirement savings other than KiwiSaver;
- are more likely to have attended personal financial management classes in school, and to believe that these classes have been helpful;
- are more likely to have obtained information about money management from books and magazines;
- place less importance on a sense of accomplishment;
- placed less importance on paying credit card balances in full every month;
- are more likely to have been forced to change their food shopping or eating habits;
- are more likely to have been forced to cut back on social and entertainment expenses;
- are less likely to compare prices when shopping; and
- are less likely to feel good about their money management abilities.

It is important to note that young Ngāi Tahu are aware of the Whai Rawa investment accounts available through Te Rūnanga o Ngāi Tahu, and have positive views on its value for them. In particular, many see Whai Rawa as a major contributor to their retirement savings.<sup>29</sup>

<sup>27</sup> The differences were statistically significant at the 95% confidence level.

<sup>28</sup> 2013 Fin-Ed Centre Longitudinal Study – Ngāi Tahu Sub-cohort.

<sup>29</sup> 2013 Fin-Ed Centre Longitudinal Study – Ngāi Tahu Sub-cohort, p. 6.

# Gaps between service provision and needs

*Nou te rourou naku te rourou ka ora ai te iwi.*

With your basket and my basket the people will live.

There is unfortunately very limited data available that can tell us about the barriers to financial literacy for Māori whānau and communities. It was also difficult to generate sound empirical data of useful scale through the surveys and engagement we were able to undertake between June and November 2013.

However, the member organisations of our Group work in this sector every day, and we consider we have some useful, if anecdotal, observations to report in terms of our understanding of what prevents Māori whānau and communities from accessing financial literacy services in New Zealand.

We have drawn on this experience, as well as the insights gained through our consultation and engagement to identify the following areas of financial literacy where we consider there are gaps in service provision to Māori:

- entrepreneurship and enterprise;
- savings and investing products (e.g. KiwiSaver);
- step-by-step debt management;
- getting the right insurance;
- general business and social policy compliance;
- managing money for youth;
- communicating progress on settlements;
- planning for retirement; and
- understanding interest charges.

We also identified the following issues, which we consider to be potential barriers to building Māori financial literacy:

- lack of awareness amongst whānau of financial literacy services available;
- lack of service provision in certain regions of New Zealand;
- use of delivery mechanisms that do not appeal to whānau;
- lack of awareness of the importance and benefits of financial literacy amongst whānau;
- lack of financial literacy services targeted specifically to whānau;
- lack of funding to deliver targeted financial literacy services;
- lack of service provision in relevant areas of financial literacy;
- lack of credibility of service effectiveness due to lack of programme evaluation and monitoring of participant outcomes;
- lack of delivery of financial education in schools; and
- lack of leadership to drive change.

The following sections address these barriers in more detail, and offer recommendations for how they might be addressed to ensure the financial literacy needs of whānau are being met.

## Māori-specific financial literacy

The Commission's review of financial education in New Zealand found that there is a lack of funding to deliver targeted financial literacy services.<sup>30</sup> This appears to hold true for financial literacy services tailored to Māori.

The 2010 ANZ Ngāi Tahu Financial Knowledge Survey report notes that the results for the iwi participants are fairly similar to the national New Zealand results, suggesting that iwi members would benefit from initiatives

<sup>30</sup> Charting a course: A review of financial education in New Zealand, op. cit., p. 6.



that are targeted to the general population; however, it also notes that if those services are delivered in a way tailored to Māori, the benefits will likely be greater.<sup>31</sup>

Māori culture has a unique world view, and values and priorities that may differ to those from other cultures and/or backgrounds. Furthermore, there will be differences across and between various iwi, hapū, whānau and other groupings within Māori communities. As such, financial well-being may look different to whānau, and financial education should take this into account.

We think that key to ensuring financial literacy services are meeting the needs of Māori is acknowledging the Māori perspective and including Māori in the discussion and revision of service provision. We believe that Māori should have a voice in the design of a financial literacy campaign targeted at Māori.

Based on the findings of its review, the Commission recommends the design and delivery of training programmes for financial literacy tutors and trainers.<sup>32</sup> While appropriate training is important across the range of financial literacy topics, we think that tutors and trainers delivering services to Māori and other indigenous cultures need language and cultural training on top of core competencies training. These tutors need to learn about and engage with Māori culture and tikanga, and must be comfortable with teaching in a te reo Māori medium.

Based on our experience in working with Māori, we have found that the most effective delivery mechanisms for Māori are one-on-one mentoring (though this is very resource intensive), workshops and hui, with online/distance channels, classroom settings and lectures being less effective.

We also want to stress the importance of service providers taking the time to invest in the relationship

with possible participants prior to engaging them in their services.

This should be taken into account when designing a Māori-specific financial literacy campaign, as the process used for reaching and delivering services to Māori is just as important as the topic areas addressed.

## Target audience

As mentioned above, the Commission's 2013 National Survey reports that 43% of the Māori participants fall into the low financial knowledge group.<sup>33</sup> Other demographic features of the low financial knowledge group include:

- those aged 18-34 years and 65 years or over;
- those with primary or basic education;
- those who are renting;
- those not in paid employment; and
- those with low personal income.<sup>34</sup>

Arguably, there is an opportunity for financial literacy services to have real impact on those that fall within the low financial knowledge group. Prioritising or targeting services to those in the demographic groupings listed above may assist with achieving this impact. Also, we note the financial literacy sector is relatively small and radiates around the major centres; therefore, spreading knowledge to provincial and rural areas may also be a priority.

## Youth

Recognising that youth will become the leaders of tomorrow, we consider that embedding concepts of financial literacy with our rangatahi and tamariki is crucial

<sup>31</sup> 2010 ANZ Ngāi Tahu Financial Knowledge Survey, op. cit., p. 10.

<sup>32</sup> Charting a course: A review of financial education in New Zealand, op. cit., p. 6.

<sup>33</sup> Financial Knowledge and Behaviour Survey 2013, op. cit., p. 26.

<sup>34</sup> 2010 ANZ Ngāi Tahu Financial Knowledge Survey, op. cit., p. 2.



to ensuring long-term change and improvement in Māori self-determination.

While the New Zealand Curriculum outlines suggested competencies and values for developing financial literacy and numeracy amongst school children,<sup>35</sup> the uptake of this learning programme, has proven to be limited, as has schools' demand for Ministry of Education funded teacher professional development in financial literacy.<sup>36</sup> Further information is needed as to why there has not been a more significant uptake of these services.

## Barriers to financial literacy services

We consider that challenges facing financial literacy service providers delivering services to Māori can be grouped into three broad categories:

- Communication;
- Commitment; and
- Continuation.

## Communication

Communication is essential to increase awareness of the importance of financial literacy amongst Māori and to engage Māori in such a way as to encourage uptake in financial literacy services. Communication should be simple, accessible, and if possible, contain a personal element to draw in the target audience.

Consideration is needed as to the most effective way to engage Māori in the financial literacy sector. For instance, using social media channels, such as Facebook or Twitter, or creating financial education apps may help target young Māori and encourage thinking about financial well-being and money management.

Likewise, the National Screening Unit's campaign to raise awareness of preventative health measures focussed on the media channels that consumer research shows best reach Māori. These include TV3, Māori Television, iwi radio stations, Nui FM radio network, Mana Magazine and Tu Mai.<sup>37</sup> These media channels could also be used to promote financial literacy. For instance, a 'Money in a Minute' segment aired before a popular Māori television show could offer a quick and simple mechanism for reaching a wide audience.

Having said that, we know that *kanohi-ki-te-kanohi* engagement is also important to many Māori. Role models who connect with the Māori community could be used to help spread key messages about and increase awareness of financial literacy. These role models may include individuals who have had success in managing their money, and who can share their stories to demonstrate the importance of financial literacy.

We suggest an ideal landscape of financial literacy services would include a variety of channels, targeted appropriately to different segments and communities of the population.

This report has discussed the availability of financial literacy services, education and resources – however, the commitment and engagement of those participating in that education or receiving those services is a critical factor in ensuring meaningful impacts and increased financial outcomes for those *whānau*. We would like to emphasise the importance of research and evaluation to demonstrate what works in financial education, and the sharing of those findings. The benefits of pursuing financial literacy and best practice in delivery then need to be effectively communicated to Māori *whānau* and communities, as a way to drive both uptake and application of the services and education available. For instance, instead of describing a programme that focuses on compound interest, it may be more effective

<sup>35</sup> Ministry of Education. (n.d.) *The New Zealand Curriculum Online: Financial Capability and the NZC*. Retrieved from <http://nzcurriculum.tki.org.nz/Curriculum-resources/Financial-capability/Financial-capability-and-the-NZC/Curriculum>

<sup>36</sup> Annual Report 2012 National Strategy for Financial Literacy, p. 4.

<sup>37</sup> National Screening Unit. (n.d.) *Cervical Campaign Media Release*. Retrieved from <http://www.nsu.govt.nz/news/2447.aspx>

to describe the programme as a way to easily increase one's investment.

We also see a need to make financial literacy an acceptable and normalised 'kitchen table discussion'. By bringing the topic into everyday family and household life, we think our whānau and communities will be more likely to incorporate positive financial behaviour into their daily routines. Again, this ties into the challenge of communication, as persistent and effective messaging will help to increase awareness and bring the importance of financial literacy to the forefront of people's minds.

## Commitment

From our experience, we think that changing perceptions and mindsets about financial literacy, savings and money management is key to ensuring the commitment and engagement discussed above. In our engagement with and participation in Māori communities, we sometimes observe a mindset among whānau that we feel restricts them from positive action. We feel that some whānau and communities perceive that certain things will always be unaffordable to them, rather than having an aspirational, outcomes focus that embraces the idea of change to enable them to achieve their goals. Supporting and enabling whānau to think more broadly and to recognise that their aspirations are achievable will support the success of any Māori-specific financial literacy campaign.

We recommend that this change in thinking be supported by growing and developing an appreciation of the core competencies, with the help of iwi, Government, philanthropic organisations and the NGOs involved in the financial literacy sector. There is a need for locally respected leadership, with the right skills, resources and mana, to drive the necessary changes.

Shifting the design of financial literacy services to focus on the needs and objectives of users (or customers)

can also support a change to more positive mindsets and perceptions among whānau. For example, the Commission found a mismatch between some programme objectives and participants' learning objectives.<sup>38</sup> We think that by focusing services on participants' desired outcomes, financial literacy services will better meet participants' needs and will encourage an aspirations-based mindset. This is, in fact, about making services whānau-centric – a key tenet of the HKKAR philosophy.

## Continuation

The Commission's review found that few financial education programmes are evaluated for their effectiveness in increasing levels of financial literacy.<sup>39</sup> Ongoing evaluation is necessary to assess whether services are having a positive, meaningful impact on participants and to ensure that information is up to date. Evaluation and monitoring should go beyond the immediate reactions to participation in financial education, and should assess the difference participation in services makes in participants' workplaces and daily lives. Over time, this will help to build the credibility of trainers and resources.

<sup>38</sup> Charting a course: A review of financial education in New Zealand, op. cit., p. 6.

<sup>39</sup> Charting a course: A review of financial education in New Zealand, op. cit., p. 6.

# Conclusions

*Ma te whakatau, ka mohio*

*Ma te mohio, ka marama*

*Ma te marama, ka ora ai tātou*

When we are shown, we come to know

When we know, we come to understand

When we understand, we all achieve  
wellness

In summary, we acknowledge that change is needed to increase Māori economic growth. We propose that:

- a financially literate population will support the development of the New Zealand economy;
- increasing financial literacy amongst Māori is integral to lifting the Māori contribution to the economy under HKKAR;
- financial education is a key contributor to building financial literacy;
- quality financial literacy services tailored to the needs of Māori whānau will support the development of financial literacy amongst Māori; and
- there will need to be a continual commitment to research and evaluation of programmes to identify the most effective approaches to financial education, and a sharing of best practice to ensure widespread application of best practice.

HKKAR emphasises that improving Māori economic well-being is a shared responsibility, where government, the private sector, Māori Inc and whānau all have roles to play.

We hope this report will be useful for participants in the sector such as financial literacy service providers and educators, the Māori Economic Development Advisory Board, government agencies, and organisations such as

the Commission as they work to increase the financial literacy of Māori communities and whānau. We also hope Māori organisations, iwi, hapū and whānau will be able to draw inspiration and ideas from the case studies and ideas presented in this report, adapting them to their own needs and communities as appropriate.

In this context, we have provided some suggested recommendations that could serve as a basis for initiatives for a range of stakeholders. In developing these recommendations, we have combined aspects of successful programmes and organisations with our findings and understanding of the key issues of the sector.

## Recommendations

### Service providers

An emerging theme of this report was that tailoring services to communities reaps benefits. We believe New Zealand's financial literacy service providers are well placed to review their services, engage with their communities, and refine their products and services as required. Specifically, we suggest service providers could consider:

- the case studies in this report and identify areas of relevance for their communities;
- engaging with their tutors, teachers and communities to identify ways to tailor services to better meet the needs of their Māori clients, for example, ensuring trainers have an understanding of te reo and tikanga;
- consistently evaluating the effectiveness of their offerings and using the findings to refine their services;
- establishing a feedback loop so that “best practice” processes for delivering financial education services to Māori can be promulgated through the professional development of tutors and teachers;



- the gaps in service provision mentioned in this report when refining their products and services; and
- identifying other service providers or organisations operating within their local or regional communities and exploring opportunities for collaboration (for example, a general financial education provider may be able to partner with a local iwi organisation or budgeting service to create a new product or service targeted directly to the needs of that community).
- iwi are encouraged and supported to include whānau financial capability as part of their long-term strategic direction and on-going annual planning.

### Non-governmental organisations, iwi and Māori organisations

We believe non-governmental organisations, iwi and Māori organisations already make a valuable contribution to financial literacy for whānau, and they have a great opportunity to continue to do so.

These organisations are often able to provide a link or ‘bridge’ between their whānau and communities and the private or governmental sectors. In this context, we suggest organisations may like to consider:

- engaging with their whānau and communities to understand the financial literacy needs of those communities, and how well they are currently served;
- liaising with financial education service providers, as well as other community or private sector organisations or businesses, to advance new initiatives or programmes that could improve financial literacy of their whānau;
- encouraging whānau to pro-actively consider and discuss financial literacy, and promoting financial literacy and savings as a “kitchen table” discussion topic for whānau;
- supporting and informing the “feedback loop” to service providers and government to ensure services, products and policy settings are guided by whānau and community feedback, and to help replicate successes for other communities;

### Government

Areas where we believe the Government could support the improvement of Māori financial literacy are:

- making funding available for the delivery of targeted financial literacy services;
- supporting research and evaluation, and the application of results to ensure best practice and the achievement of desired outcomes in financial literacy;
- supporting a variety of marketing campaigns to increase awareness of the importance of financial literacy as well as of the services available to Māori whānau; and
- considering the place, scope and efficacy of financial literacy education within the compulsory schooling sector.

### HKKAR

Finally, the inclusion of financial literacy and savings as one of the six goals of HKKAR offers excellent opportunities for further kōrero, collaboration and development in this sector. In particular, we see opportunity to further develop leadership in this sector to drive forward many of the ideas we have discussed.

We look forward to engaging and working with the Māori Economic Development Advisory Board to consider how to support the development of this sector leadership, as well as to effectively link to the other goals and stakeholders working towards the implementation and achievement of *he kai kei aku ringa*.



# Appendix 1: Financial Literacy Strategy for Māori

A financial literacy strategy for Māori was developed by the Commission for Financial Literacy and Retirement Income. It was originally released in late 2010 and updated in 2012. Aspects of the Commission's strategy are reproduced on this page for background information.

## Mission

All Māori have skills to improve their financial wellbeing and that of their whānau, hapū and iwi.

## Strategies

- develop quality
- extend the delivery of financial education
- share what works
- work together in order to achieve the outcome of a financially literate population.

## Approach

- develop partnerships amongst iwi, hapū, whānau and Māori groups and financial education providers (including government, non-government and financial sector organisations);
- identify and use iwi and Māori information distribution channels;
- target the schools with high Māori student population;
- develop a monitoring and evaluation programme to report on the level and growth of the financial knowledge levels of Māori.

## Action Plan

A five-year action plan was developed in December 2010. An Advisory Committee was set up to help with the development of the strategy and to oversee the implementation of the action plan. The Committee consists of:

- Michael Ahie: Chief Executive Officer, Shirlaws
- Philip Broughton: Project Manager, Consultant, Polson Higgs Business Advisors
- Diana Crossan: Retirement Commissioner
- Charlie Howe: Regional Manager, Business Banking, ANZ National
- Paula Rawiri: Group Manager Māori Education, Ministry of Education.

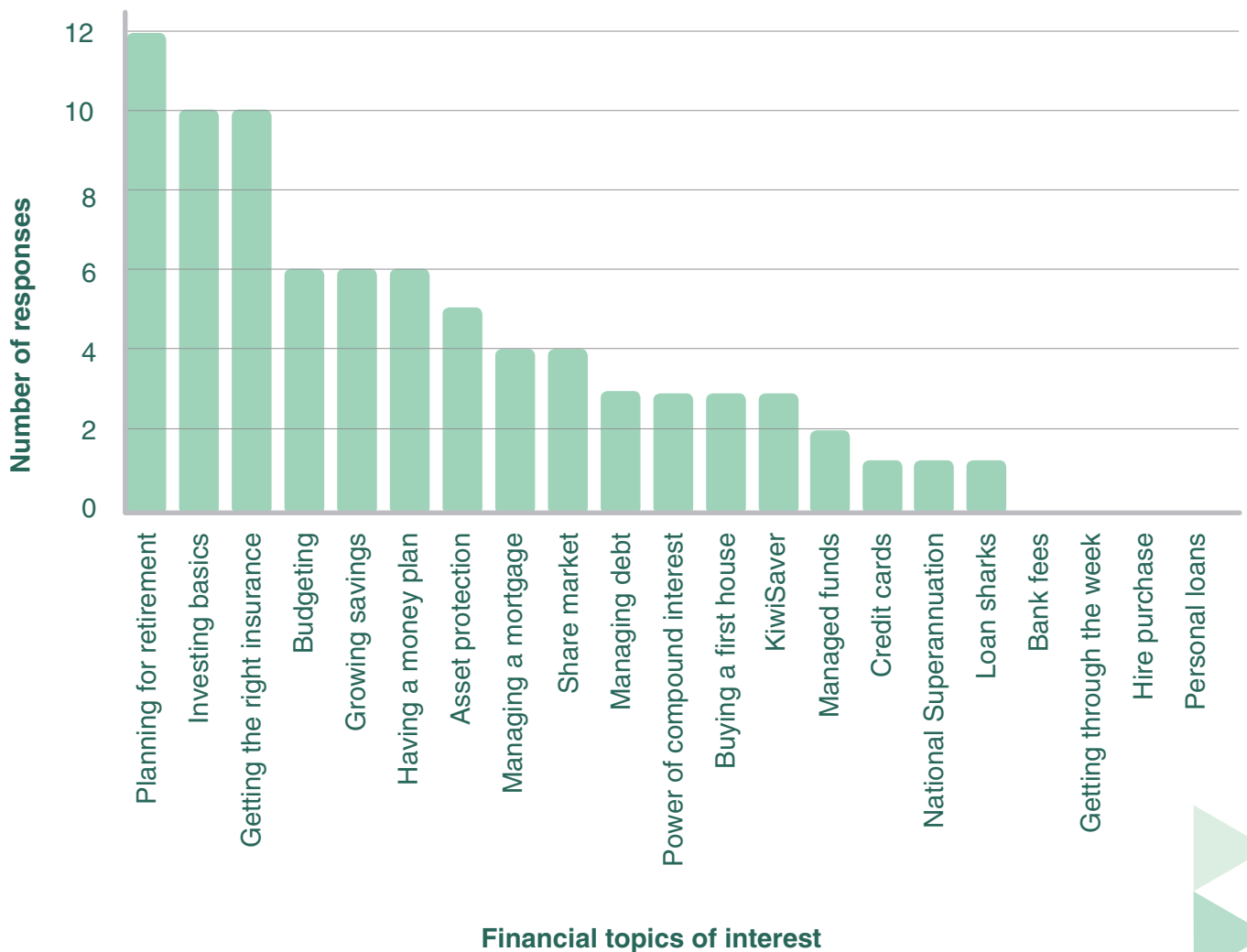
2010	2011	2012	2013	2014	2015	2020
<p>Establish a Māori Financial Literacy vision and Strategy to 2020</p> <p>Identify key stakeholders</p> <p>Develop a template for an iwi financial plan</p> <p>Develop a five-year action plan.</p>	<p>Audit current resources</p> <p>Two iwi to include financial literacy in their planning</p> <p>Confirm an evaluation process for all programmes.</p>	<p>Promote financial education in learning institutions with high Māori student population</p> <p>Confirm two more iwi partnerships</p> <p>Use two financial literacy information distribution channels for Māori.</p>	<p>Establish financial education strategy in schools with high Māori student population</p> <p>Confirm three additional iwi partnerships</p> <p>Confirm two additional distribution channels for Māori</p> <p>Ensure Māori component of 2013 survey.</p>	<p>Establish financial education strategy in learning institutions with high Māori student population</p> <p>Confirm three additional iwi partnerships</p> <p>Confirm two additional distribution channels for Māori.</p>	<p>Māori access financial literacy resources via a wide range of distribution channels</p> <p>At least ten iwi have financial literacy plans</p> <p>All programmes are evaluated and measured</p>	<p><b>Financially literate Māori</b></p>





# Appendix 2: Questionnaire results

We circulated a questionnaire to 40 of the Group Chairman's iwi contacts to gain a better understanding of the financial literacy topics about which whānau are interested in learning. Twenty-one people responded with their interests, which are summarised in the figure below.







# He kai kei aku ringa

The Crown-Māori Economic Growth Partnership

Te Māngai Penapena Pūtea – Partner Working Group

