

Media Release

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Saver Plus improves the saving habits of Australians on low incomes: RMIT

The ANZ and Brotherhood of St Laurence 2005 matched savings pilot program successfully helped 95 per cent of the participants meet or surpass their savings goals during the program, new research released today has found.

Significantly, the RMIT University research also found that 86 per cent of participants in the Saver Plus program maintained or increased their savings three months after completing the 12-month program.

The RMIT University research demonstrates the continuing success of the program in helping Australians on low incomes to improve their savings behaviour since the program's inception in 2003.

Saver Plus was developed as a business community partnership between ANZ and the Brotherhood of St Laurence to assist low-income families develop money management skills and save for educational purposes. Under the program, participants have been provided with financial skills training, personal coaching and ANZ has matched their savings.

In 2005 Saver Plus was delivered by the Brotherhood of St Laurence in Frankston, Victoria; Berry Street Victoria in Shepparton, Victoria; The Benevolent Society in Campbelltown, New South Wales; and The Smith Family in South East Brisbane and the Gold Coast, Queensland.

The research report by RMIT University, released today, reveals:

- 408 families on low incomes establish savings habits
- 86 per cent of participants maintained or increased their savings three months after completing the 12-month program
- 95 per cent of participants met or surpassed their savings goals during the program
- the average amount saved by participants during the 12-month program was \$1,214
- a total of \$688,579 in matched savings was disbursed to participants
- a computer for a child at school was the most common item bought by participants
- 99 per cent of participants reported a positive experience of Saver Plus
- most participants reported a more positive outlook on life and greater levels of self-esteem

RMIT's research report also shows that while most participants were initially attracted by the matched savings, by the end of the program they cited improved financial knowledge and confidence, and reduced stress levels as the most important benefits.

"When I joined [Saver Plus] my main goal was to buy my daughter a laptop – something I would not be able to afford otherwise," said one of the participants who participated in RMIT's evaluation. "What I got out of it was even more important – friendship, understanding, support, knowledge, confidence, ability to adapt and a finished project."

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ANZ Group Managing Director, Personal Division, Mr Brian Hartzler said: "By teaching people new savings and financial skills Saver Plus provides an empowering experience that makes a real difference in people's lives.

"The success of the 2005 program indicates the potential for Saver Plus to help many more Australians on low incomes who are seeking to break out of a cycle of disadvantage and create more financially secure futures for themselves and their families.

"These results are a tribute to the commitment and dedication of our community partners, and ANZ is delighted to continue these partnerships to extend Saver Plus to 5,400 new people on low incomes over the next three years," Mr Hartzler said.

Mr Tony Nicholson, Executive Director Brotherhood of St Laurence, said: "The RMIT report confirms what we see day-to-day running the program. Participants react positively to the supportive environment Saver Plus provides; throughout the program they are quick to learn the skills they need to be able to save, and their confidence continues to improve; and by the end of the program their financial outlook is much brighter."

"It is extremely gratifying to see so many positive stories and to see participants continue to apply the skills they have learned long after the program has finished. Saver Plus offers a fresh approach to alleviating poverty and confirms our belief and experience that, given the opportunity, low-income families are keen to make a difference in their lives.

"We're pleased to be involved in the expansion of Saver Plus to more families and individuals over the next three years," said Mr Nicholson.

Saver Plus reduces stress on families by alleviating the financial burden of school costs, such as new uniforms, textbooks and excursions. It also gives families the capacity to create a small financial buffer for difficult times by teaching them skills to help themselves and create new saving behaviours.

Dr Roslyn Russell, Senior Research Fellow at RMIT University said: "The results of the Saver Plus evaluation have been overwhelmingly positive across all aspects of the program - in the achievement of savings goals and increasing financial capabilities.

"The Saver Plus model represents best practice internationally in program design and certainly is the international leader in its success rates. Perhaps the most inspirational evidence of the program's success is in the additional benefits experienced by the participants such as increased self-confidence, establishment of support networks and passing on a savings habit to their children," said Dr Russell.

Saver Plus is being extended to 5,400 people in 18 communities across Australia through to 2009, with program partners including the Brotherhood of St Laurence, The Smith Family, Berry Street Victoria and The Benevolent Society.

The expansion of Saver Plus includes a minimum \$3 million commitment by ANZ for matched savings. The Saver Plus partnership is also expanding with the Victorian Government committing \$1.35 million to enable delivery of the program in more Victorian communities.

Saver Plus and ANZ's community partners were recognised when ANZ was awarded the Special Prime Minister's Award for 'Impact on a Community' on 17 October 2006.

To be eligible for Saver Plus participants must have children currently enrolled in a school in a Saver Plus region, or be attending or returning to vocational education themselves. They must also be over 18 years of age and have a Health Care or Pension Card, earnings from employment, and a proven capacity to save.

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Notes to the editor:

Comments from participants recorded in the Saver Plus evaluation by RMIT University

- "I have always wanted to save money – but never have. I would start savings or Christmas accounts but always withdrew after only a few weeks. This experience made me save and proved I could do it. I am confident I could do it again."
- "This program has benefited my daughter in terms of the things the matched funds will provide for. Just as valuably, it has introduced me to a rationale for planning and organising my savings habits. I will impress upon my children what I've learned."
- "I've learnt that if you really want something you can achieve it. It has shown me you can have savings and not have to sacrifice too much to get it."
- "Saver Plus gave me the confidence to save with a financial institution plus helped me stay steady with my saving without goals in mind when I had reached my goals."
- "I have found Saver Plus to be a very positive experience because it has taught me how to save. It has also taught me about other saving products. I have realised I can do it and will continue to save in the future."
- "I learned to understand money and how to handle it. Motivation to save came easily once in the program. I think I have achieved success during this time not only in the savings aspect, but with all the support given I will definitely continue with this."
- "With my son entering high school, I knew there would be extra costs involved. Also, the opportunity to be able to purchase a decent computer and equipment to help with his education. My son has learning difficulties and attends extra classes. Great help."
- "It has shown me that I can save to a goal a little at a time. The Relationship Manager has been very supportive and the whole program has given me a more positive outlook on managing my finances."
- "Saver Plus gave me the best opportunity to save up for something that my children really need for their education. And to learn so much about saving, budgeting, setting goals and lots more financial matters. And all this at not cost to me!"
- "I find it extremely difficult to save, as I have a large mortgage, three children and a little maintenance, so it was nice to have the encouragement and understanding from an outside source."
- "I got so much more out of the program than I thought I would – support, advice, ideas, and contacts. It was a fantastic help to me emotionally and financially."
- "I found the Saver Plus experience extremely educational as well as eye opening. I particularly found the spending journal to be of great value. If you can see what you have spent your money on in black and white you are much more careful and aware."
- "I am still saving money. It taught me to be more careful and gave me a target to reach for."