

A Practical Evaluation of an Adult Financial Literacy Programme

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This paper reports on an evaluation of Money Minded, which is an adult financial literacy programme developed by the ANZ Bank. The evaluation is with respect to the satisfaction of workshop participants with the MoneyMinded programme. While an evaluation had already been conducted by Russell, Brooks and Nair (2005) using a cross-section of the general population, the current study was undertaken with staff of five not-for-profit organisations. The rationale for the presentation of Money Minded to NFP staff is that it would equip them to provide financial literacy education to their clients. Hence, the evaluation reported in this paper is unique because it is concerned with an evaluation of a financial literacy programme from the point of view of prospective facilitators, not end-users, of the programme.

Three null hypotheses were tested to determine: whether the programme was perceived to have provided a benefit to participants, whether participants considered the topics of the programme to be satisfactory, and whether participants were satisfied with the programme. The first and second null hypotheses were tested using percentages of the responses. The third null hypothesis was tested using a discriminant analysis model to distinguish between those workshop participants who were satisfied with the MoneyMinded programme and those who were not. Predictor variables in the model that were significant are "the presenter" and "main language used by the participant". An older male presenter compared with a middle-aged female presenter, and a language (on the part of workshop participants) other than English, resulted in the highest level of dissatisfaction with the programme.

Field of Research: Financial Literacy

1. Introduction

Financial literacy is an issue of growing significance in Australia. An ageing population and the continuing growth of personal indebtedness have heightened concern about the level of financial literacy in Australia.

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1.1 The *Money Minded* Programme

Money Minded is an adult financial literacy education programme funded by the ANZ Banking Group to help people, particularly those on low incomes, to build their financial skills, knowledge and confidence. The programme has been developed as a resource for financial counsellors and community educators. It is delivered as workshops to groups of people, or it can be used in one-to-one casework.

The development of *Money Minded* was initiated and funded by the ANZ, with contributions from the community sector and education experts, including the Australian Financial Counselling and Credit Reform Association. *Money Minded* was launched in late 2004 and does not contain any ANZ branding or promotion of ANZ financial products or services.

Money Minded covers six modules with 16 subsections. The six modules are: Planning and budgeting; Getting started; Understanding paperwork; Credit providers; Dealing with debt; Rights and responsibilities.

2. Literature Review

Financial literacy has been defined as: *the ability to make informed judgements and to take effective decisions regarding the use and management of money* (Worthington, 2005, p. 2).

In the UK the National Foundation for Educational Research (1992) defined financial literacy as: *the ability to make informed judgements and to take effective decisions regarding the use and management of money*. According to Worthington (2005) the servicing of mortgage debt and consumer credit have grown to worrying levels, exposing many households to repayment problems, delinquencies and bankruptcy (Worthington, 2004; 2005). The very fact that consumer debt has grown to worrying levels is indicative of the need for financial literacy education.

Concerns about the level of financial literacy in the United States have been voiced by Lamb (2002), Grace and Hauptert (2003), Jackson (2003), Kim (2003) and Tossaint-Comeau (2003). There has also been a call to foster financial literacy in the United Kingdom (Burgess, 2003) with the growing gap between people's long-term needs and their savings.

The ANZ Bank's, *Survey of Adult Financial Literacy in Australia (2003)*, reported that the level of financial literacy among most Australians was "reasonable". However, young people and those from low socio-economic backgrounds were lacking the skills to make informed financial decisions. The Consumer and Financial Literacy Taskforce report (2004), *Australian Consumers and Money*, examined financial literacy initiatives undertaken by private, public and community sector bodies and concluded that while

there was adequate information available for consumers, much of the material is either not known, not properly targeted or not used by consumers.

According to Worthington (2005) the literature dealing with financial literacy can be divided into two areas: attempts to explain the differing levels of financial literacy in a population and evaluations of individual financial literacy programmes. The study reported in this paper is of the latter category. It is an evaluation of the *Money Minded* programme developed by the ANZ Bank. *Money Minded* has been evaluated previously by Russell, Brooks and Nair (2005). Their evaluation was based on presentations of *Money Minded* to a broad cross-section of the population. The evaluation reported in this paper is based on presentations of *Money Minded* to staff of community and educational organisations. This group was selected for the reason that, because these staff are likely to use *MoneyMinded* not only for their own benefit but also for that of their clients, they will be critically interested in its evaluation.

3. Research Method

Between December 2005 and July 2006 Victoria University Financial Literacy Initiative rolled out six *Money Minded* workshops to five different organisations. The six workshops – one to each of four organisations and two to the fifth organisation – were delivered to a total of 66 participants. The *Money Minded* programme consists of six modules, and all six modules were covered in each of the six workshops. Workshop participants were asked to complete a pre-training questionnaire to capture demographic information (seven variables), and perceived financial training needs, savings behaviour and financial product usage. Participants were also asked to complete a post-training questionnaire, with the aim of expressing their evaluation of the effectiveness of the workshops.

The workshops were presented by Victoria University, Faculty of Business and Law academic staff from the schools of Accounting and Finance, and Applied Economics. Workshops were of interactive format, and participants from the five organisations concerned engaged in free-flowing dialogue at strategic points during the workshop sessions. The aim of this dialogue was two-fold: one, to allow participants to reveal their level of financial literacy and therefore give pointers to the presenters as to what to emphasise and to what extent to emphasise points of detail; two, to provide a forum for participants to express the practical value of what was being presented to them.

The main source of data was the two questionnaires (pre and post the delivery of the *MoneyMinded* programme), which provided 52 useable responses. The pre-delivery questionnaire sought information on seven variables: participants' gender, age, income, education, competency with basic arithmetic, the main language spoken, and competency with computer technology. The post-delivery questionnaire sought respondents' satisfaction with the topics of the *MoneyMinded* programme, and with the programme in an overall sense. Participants indicated their response by circling a

number on a five-point likert scale. The data collection method employed and the survey instruments were similar to those used by Russell, Brooks and Nair (2005).

Three null hypotheses were tested. The first null hypothesis was: *Participants did not receive any benefit from the programme.* This was tested by the percentage of participants reporting a benefit from the programme. The second null hypothesis was: *Participants were not satisfied with the topics;* and was tested by the percentage of participants satisfied with the *Money Minded* topics. The third null hypothesis was: *Participants were not satisfied with the programme overall;* and was tested using *discriminant analysis.*

The key aspect of the research method is the use of a model to identify factors associated with a workshop participant being satisfied or not with the *MoneyMinded* programme in an overall sense. Discriminant analysis (using *SPSS*) was used as the supporting technique for the model. A supporting aspect of the research method is descriptive – reporting upon participants’ demographic variables and their level of financial literacy.

4. Research Findings/Discussion

4.1 Participants’ Demographics

Table 1: Demographic variables AGE and GENDER of *MoneyMinded* recipients*

Age group	No.	Male	Female
15 – 24	5	-	5
25 – 34	12	2	10
35 – 44	14	4	10
45 – 54	21	8	13
55 – 64	4	1	3
65 or over	-	-	-
Total	56	15	41

*66 recipients, incomplete data for 10

Seven per cent of the 56 responding facilitators were female, 27 per cent male. The most commonly occurring age group was 45 – 54 years (38 per cent); 63 per cent were between the ages of 35 and 54 years. The highest occurrence of male respondents is in the 45 – 54 age group: 38 per cent of respondents in this age group were male.

Table 2: Demographic variables INCOME/EMPLOYMENT/EDUCATION

Income \$/week	Prim.	Sec.	TAF E	On-job	Uni.	Paid emp.	Self emp.	Parent pyt.	Work care	Other	F/time	P/time	Total
≥ 1.5k		1	1		9	11					10	1	11
1-1.499k		1		1	11	12		1			8	5	13
800-999			1		8	8		1			8	1	9
700-799				2	4	6					5	1	6
600-699		1	3		2	6					4	2	6
500-599		1	1	1	2	5					3	2	5
400-499					1					1		1	1
300-399		1			1	2						2	2
200-299													
160-199													
120-159													
< 120													
TOTAL	-	5	6	4	38	50	-	2	-	1	38	15	53

66 recipients, incomplete data for 13

45 per cent of respondents reported earning \$1,000 or more per week (gross), with 21 per cent earning \$1,500 or more per week. 40 per cent earned between \$600 and \$999 per week. An unexpectedly-high 72 per cent of respondents had university education.

4.2 Participants' Responses to *MoneyMinded*

Table 3: Perceived benefits of use of *Money Minded*

	Benefit	No benefit	TOTAL
	52 (87%)	8 (13%)	60
plan/budget	30 (94%)	2 (6%)	32
get started	10 (91%)	1 (9%)	11
paperwork	27 (87%)	4 (13%)	31
credit	13 (81%)	3 (19%)	16
debt	22 (88%)	3 (12%)	25
rights/resp	25 (89%)	3 (11%)	28

66 recipients, 6 provided incomplete data

Of the 87 per cent of respondents who said that they would benefit from the *Money Minded* programme, 58 per cent identified "Planning and budgeting" as the aspect of interest to them. 52 per cent identified "Understanding paperwork" as being of interest and 48 per cent "Rights and responsibilities". It is curious to note that the 13 per cent of respondents who said that they would *not* benefit from *MoneyMinded* still identified areas of the program as being of interest to them: most notably "Understanding paperwork" (50 per cent), and "Credit providers", "Dealing with debt" and "Rights and responsibilities" (each 38 per cent).

The results of Table 3 lead to the rejection of the first null hypothesis.

Table 4: Percentage of respondents post-training indicating module usefulness

	% Useful	% Not useful
plan/budget	95	5
get/started	85	15
paperwork	84	16
credit	93	7
debt	88	12
rights/resp	90	10

It is obvious from Table 4 that recipients of *MoneyMinded* rated **all** of the six modules as being very useful. However, the three with the highest ratings are: **Planning and budgeting**, **Credit Providers** and **Rights and responsibilities**. The module, **Understanding paperwork**, attracted the most expressions by recipients of being not useful, followed by **Getting started** and **Dealing with debt**. The latter one is surprising (i.e., perceptions that "Dealing with debt" is not an important module), given current levels of consumer indebtedness – but it needs to be noted that only 12 per cent of recipients' responses were to the effect that Dealing with debt is not a useful module. The results of Table 4 lead to the rejection of the second null hypothesis.

The following Table 5 identifies the percentage of responses noting satisfaction or otherwise with the overall *Money Minded* programme, the modules and materials it comprises, and its delivery.

Table 5: Percentage of respondents indicating satisfaction with the six modules

	% Satisfied	% Not satisfied
programme	84	16
topics/material	95	5
delivery	77	23

There was a relatively high “not satisfied” response to the delivery aspect of *MoneyMinded*. From comments made by respondents in their completed questionnaires, the dissatisfaction regarding delivery was not at the personal level but rather with the method of delivery. Several respondents spoke of there being “too much chalk and talk”, that there was not sufficient time given to individual respondent’s personal experiences and examples, and that the method of delivery would not suit their clients (in particular, clients with physical/mental disabilities).

This highlights the importance of tailoring the delivery to the nature of the audience – an obvious point, but one easily overlooked. A “one-size-fits-all” approach is not satisfactory.

4.3 Participants’ Level of Mathematical and Computer Literacy

92 per cent of respondents reported **never** using the website or using it only infrequently. However, this high percentage of “IT illiteracy” needs to be interpreted with caution – the situation is probably much more optimistic than this figure suggests. Most respondents indicated that they never use the website because, up to that point (the point of being introduced to *MoneyMinded*), they were unaware of its existence. Table 6 identifies mathematical and computer literacy skills indicated by participants.

Table 6: Mathematical and computer literacy skills of participants

	Number of participants	% of participants
Mathematical ability		
not very good	1	2
not good	5	9
average	13	23
good	22	38
very good	16	28
Computer ability		
not very good	1	2
not good	1	2
average	12	21
good	21	37
very good	22	38
Internet usage		
at home	43	*
through work	48	*
through local library	9	*
through friend/relative	6	*
no usage	-	*

* Most respondents indicated multiple (at least two) sources of internet usage; hence percentage figures are not meaningful. Almost all respondents who indicated computer usage from home also indicated usage from work. A very small percentage of respondents indicated computer usage through work only.

It is noted that almost two-thirds of respondents rated their mathematical ability as better than average, and their computer ability likewise (66 per cent and 75 per cent respectively).

4.4 Participants' Financial Literacy Levels

The financial literacy of participants is measured by an analysis of their response to: receiving bills, their feeling toward debt, their understanding of banking products and services, their response to being charged unexpected bank fees and their liability for debts incurred on their credit card by a second card holder.

Table 7: Measurement of participants' financial literacy

	Number of participants	% of participants
Action upon receipt of a bill		
read and understand completely	11	20
compare with previous periods	27	49
pay it and file it	13	24
pay it and throw it away	4	7
Feelings about debt		
I feel out of control	1	2
it worries me but I can get back on track	10	19
I need more advice to get out of debt	3	6
I have a plan to pay off my debt	24	45
I don't have any debts	15	28
Knowledge of banking products		
I understand the difference between banks, building societies etc	5	9
	44	80
I know only the basics	6	11
I don't understand banking at all		
Unexpected bank fees		
make a complaint, in person or in writing	11	20
make an appointment to discuss	29	54
just accept the fees – no use arguing	12	22
change banks	2	4
Responsibility for card debt incurred by another person		
I am not responsible – they are	7	13
I am responsible for half the debt	8	15
only responsible if other person is under 18	3	6
I am entirely responsible for the debt	34	64
not sure	1	2

A disturbingly high 36 per cent of respondents do not seem to know of their full liability of joint credit card debt incurred by another person. 27 per cent of respondents are unsure, at best, about being in control of their debt; and 80 per cent of respondents express possessing only “basic” knowledge of banking products. However, in relation to unexpected bank fees 74 per cent of respondents indicated that they would raise the issue with the bank. This indicates a relatively high level of preparedness to at least question bank charges rather than being passive recipients of them.

4.5 Statistical analysis

The model enables the discriminating (classifying) of respondents into two *groups*: those satisfied and those not satisfied (with respect to the topics of the *MoneyMinded* program). Also included as a discriminating variable is the presenter of the workshop – three different presenters were used.

Of the eight predictor variables in the model (see Appendix 1), two were significant at the 5 per cent level: the presenter ($p = .016$) and the main language of the participant ($p = .003$).

A chi-squared test, cross-tabulating for the significance between “satisfaction with the topics of the *MoneyMinded* programme” and “presenter”, was significant: $p = .004$; and for the significance between “satisfaction with the topics of the *MoneyMinded* programme” and “main language of the workshop participant”: $p = .003$.

4.6 Suggestions and comments

During the workshop process, participants were asked what, if any, topics they would like to see added to *Money Minded* to enhance its educational value. The following is a summary list of their suggestions.

4.6.1 Workshop Participants’ Suggestions as to Topics to be Added to *Money Minded*

- availability of community services that could assist, e.g., financial counsellors
- how to teach financial literacy to those of low general literacy
- specific topic(s) for English as a Second Language (ESL) and Culturally and Linguistically Diverse (CALD) communities
- the share market
- how to apply for loans
- investments
- how to read a pay slip
- income tax, superannuation

4.6.2 Other Comments from Participants

- (the workshop) needs longer time
- *MM* is not for people with disabilities
- add symbols and signs to the material presented
- needs simplifying, use multimedia / video
- very interesting, well-presented by *VU* facilitators
- good for future use
- would like it again in a year’s time
- too much jargon, needs more role-play

- more group participation
- some parts too basic
- more time for questions and answers
- need to take account of non-English migrants and disabilities
- website needs an “ask” link – a facility for asking questions
- reduce anecdotal “evidence” from participants
- a great package! We would love to work on it with you
- expand to school sector
- excellent and exciting concept!
- a great way to introduce teachers to *MM*
- target audience is diverse – need to split audiences, or split material to suit audience

The suggestions and comments made by participants in the *Money Minded* programme indicates an acceptance of the need for such a programme. The participants appear to have viewed *Money Minded* in a positive light and their suggestions focus on expanding the programme, making it accessible to different groups in the community and modifying the format.

These conclusions are reinforced by other findings from the presentations, listed below.

4.6.3 Other findings from the workshop presentations

Several issues worthy of note arose out of the workshop presentations:

- (a) *Money Minded* was acknowledged by participants as being an excellent financial literacy product.
- (b) Presentation of the workshops needs to pay precise attention to the nature of the target audience, understanding both their needs, and what to emphasise from *Money Minded*.
- (c) The demographics of the not-for-profit sector meant that a higher proportion of women attended the workshops than men.
- (d) Participants would appreciate a guide as to where to access further financial literacy resources.
- (e) Not-for-profit agencies found it difficult to allocate staff training time for a perceived non-core activity (*Money Minded*). However, after the workshops there was general praise for the programme.
- (f) During the period of presenting *Money Minded* a significant financial literacy training need for post-secondary students became apparent.

5. Conclusion

An analysis of the qualitative and quantitative data reveals that the *Money Minded* programme was viewed by participants in a positive light. Whilst workshop participants came from a variety of backgrounds and possessed differing levels of financial literacy, the majority reported deriving benefit from the programme and being satisfied with the topics. The first and second null hypotheses – “participants did not receive any benefit from the programme” and “participants were not satisfied with the topics”, respectively – were both rejected.

The third null hypothesis – participants were not satisfied with the programme overall – was tested using discriminant analysis. Only two of eight predictor variables were significant discriminators: the workshop presenter and the main language of workshop participants. Surprisingly, none of the other hypothesised predictors, which included age, gender, income, level of education and technical literacy, was significant in distinguishing between those satisfied and those not satisfied with the programme.

With respect to “the presenter”, the workshops presented by one of the older male presenters recorded the highest level of dissatisfaction with *Money Minded*, whilst the workshop presented by a younger female presenter recorded the lowest level of dissatisfaction. With respect to “main language”, those workshop participants who usually speak in a language other than English recorded the highest level of dissatisfaction. Hence, there has been revealed a gender effect and a language effect in the perceived value of the *MoneyMinded* programme.

Overall, the *Money Minded* programme is viewed favourably by participants but consideration needs to be given to its presentation.

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Appendix

(1) Discriminant analysis, eight predictor variables

Tests of Equality of Group Means

	Wilks' Lambda	F	df1	df2	Sig.
presenter	.941	6.025	1	96	.016
gender	.997	.246	1	96	.621
age	.973	2.670	1	96	.106
income	.973	2.637	1	96	.108
education	.993	.665	1	96	.417
arithmetic	.991	.841	1	96	.361
language	.913	9.127	1	96	.003
computers	1.000	.002	1	96	.963

(2)(a) Cross-tabulation, satisfaction v presenter

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	13.172 ^a	3	.004
Likelihood Ratio	13.790	3	.003
Linear-by-Linear Association	6.840	1	.009
N of Valid Cases	120		

a. 3 cells (37.5%) have expected count less than 5. The minimum expected count is 2.22.

(2)(b) Cross tabulation, satisfaction v language

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)
Pearson Chi-Square	9.054 ^b	1	.003		
Continuity Correction ^a	7.569	1	.006		
Likelihood Ratio	9.786	1	.002		
Fisher's Exact Test				.004	.002
Linear-by-Linear Association	8.971	1	.003		
N of Valid Cases	110				

a. Computed only for a 2x2 table

b. 0 cells (.0%) have expected count less than 5. The minimum expected count is 8.84.