

Visionwest Building Financial Capability (BFC) Report: Insights into Financial Hardship and the Impact of Financial Mentors.

MARCH 2024



Visionwest
Waka Whakakitenga

“

[If not for Visionwest] I doubt I'd be able to cope mentally. Being poor is just so soul-destroying and stressful. But that's in the past now. Because of Visionwest, I've got a spring in my step. When you're deep in debt, you're trapped, there's no way out of it. It's like being shoved into a little box that you cannot escape from. I'd recommend anyone who needs help with their finances head along to Visionwest Money Mentors but be prepared – when you step inside that door, your life will change forever!

Mary Rose

Visionwest Money Mentors client.

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Tūngia te ururua kia tupu whakaritorito te tupu o te harakeke

Clear away the undergrowth so the new shoots of the harakeke can spring up.

Executive summary

Introduction

For decades, much has been written about financial hardship in Aotearoa New Zealand. The media is punctuated with stories about the increased use of foodbanks, the struggle many New Zealanders have finding affordable housing and the effects of the rising cost of living on an increasing number of Kiwis. At the forefront of battling the challenge of poverty are local budgeting and financial mentoring services who work alongside whānau experiencing a tough time to help them understand their personal finances and how they can improve their financial situation.

Building Financial Capacity (BFC) is a Ministry of Social Development (MSD) initiative delivered primarily through budgeting services throughout Aotearoa New Zealand. BFC includes a variety of funded services and takes a strengths-based approach to empower people and whānau to gain control of their money, set goals and achieve long-term, sustainable change to their financial wellbeing.

This report focuses on BFC clients that use Money Mentors, Visionwest's financial mentoring service. The aim of this report is to gain a better understanding of the needs of Visionwest's current BFC clients and understand the impact that engaging with Money Mentors has on their financial and overall wellbeing.

Data Collection and Findings

This report contains data from two sources, Client Voices, the client management tool used by Money Mentors and other BFC providers across Aotearoa New Zealand, and the Money Mentors survey which was conducted amongst Money Mentors BFC clients by the Visionwest Money Mentors team.

The Appendices within this report detail the questions and responses of these data sources.

Of initial interest is that:

- 53% of current BFC clients responded to the survey. Of these, most had a Work and Income (WINZ) benefit as their main source of income, however, 20% were in fulltime employment, either salaried or self-employed.
- All clients reported having significant levels of debt that needed to be paid off with seven out of ten survey participants having two or more types of debt.

Of direct interest in relation to this report were the responses of clients to the financial hardship they lived under:

- The majority of clients felt the extent of their present poverty such that, when short of money, they would go without items or services most of us would consider essential, such as medical visits, dental visits, or prescriptions (61%) or food (57%). Others would delay or skip payments of bills and debt repayments. Most clients (76%) reported going without two or more of these essential needs.
- Almost three quarters of clients (74%) felt their financial situation had negatively impacted their mental health or that of their whānau.

The Impact of Engaging with Money Mentors

The Money Mentors Survey found that:

- All clients reported that their mental health (or that of their whānau) had been positively affected through meeting with a financial mentor from Money Mentors.
- All clients reported a sense of achievement regarding their financial situation through meeting with Money Mentors.

- Almost all clients reported having future financial aspirations. This is evidence of a breakthrough in financial goalsetting as a key outcome of service engagement.

Discussion

This report's findings shed light on the financial hardship faced by Visionwest clients and how that hardship impacts negatively on their mental health and that of their wider household. In Aotearoa New Zealand, financial hardship is compounded by other systemic issues and is known to disproportionately impact certain population groups, such as Māori, Pasifika, and women.

Further to this, findings of this report indicate that, when short of money, the majority whānau are choosing to go without essential items such as medical treatment and food. This would undoubtedly have negative implications on any individual's physical health and overall wellbeing.

While these trends are alarming, the data shows that, for those clients surveyed for this report, engaging with financial services like Money Mentors has a significant and positive impact resulting in improvements in their financial wellbeing, financial literacy, and mental health.

Conclusion

The report's findings are sobering as one considers the negative impact that financial hardship has on both the mental and physical health of those experiencing it. The findings do also, however, reveal an urgency to move forward as we face the wider challenges associated with financial hardship.

The report affirms the effectiveness of the Money Mentors programme in its ability to alleviate the financial challenges many people

face and highlights the positive impact financial mentoring services have on the personal finances of clients and, as a result, the resulting impact on their mental health and other aspects of their wellbeing.

“...engaging with financial services like Money Mentors has a significant and positive impact resulting in improvements in [clients'] financial wellbeing, financial literacy, and mental health.

Recommendations

As a way forward, the five recommendations are presented. The facilitation of some of these are within the control of Visionwest and the Money Mentors Team. Others require the input of outside parties such as MSD:

1. Further investigation and investment into understanding the size, scope and complexities associated with financial hardship in Aotearoa.
2. Further investigation into the scope, size, and role of the BFC sector and the importance of financial mentoring services to address rising financial need.
3. Further research and evaluation into the associated impact of financial hardship on physical health, mental health, and other quality of life factors.
4. Providing potential funding for BFC providers to measure and assess the state of financial hardship amongst their client bases, with potential for collective research which gives a broader picture to the issues facing households across Aotearoa New Zealand.
5. Changing the delivery focus of the BFC Financial Mentors, recognising the wider social needs of their client base and prioritising relational and navigational support alongside financial mentoring support.

Report Introduction

Building Financial Capacity (BFC) is a Ministry of Social Development (MSD) initiative delivered primarily by budgeting services throughout Aotearoa New Zealand. BFC includes a variety of funded services and takes a strengths-based approach to empower people and whānau to gain control of their money, set goals and achieve long-term, sustainable change to their financial wellbeing.¹

The services utilised include financial mentors and intensive support to those with complex needs.

In this report, the focus is on BFC clients that use Visionwest's Money Mentors service with the overall aim of the report being to gain a better understanding of the needs of Visionwest's current BFC clients and understand the impact that engaging with Money Mentors has on clients' financial and overall wellbeing.

The objectives include:

1. To understand the needs of current BFC clients by using a comprehensive in-house survey and data available from Client Voices.
2. To understand the impact of engaging with Money Mentors, including financial and overall wellbeing through survey responses and data from Client Voices.
3. To situate the findings within the Aotearoa New Zealand context and current literature.
4. To explore the impact of engaging with Money Mentors for individuals and their whānau.

Visionwest Money Mentors Introduction

At the heart of this report are the clients of Money Mentors. Established in 1995, Money Mentors is Visionwest's Personal Budgeting

and Financial Education Hub for those who want to do better with their personal finances. The service is free and delivers with total confidentiality.

Money Mentors has an MSD contract to provide BFC services to help people and whānau to improve their financial wellbeing. Alongside this, Money Mentors also has a contract for Building Financial Capability Plus (BFC Plus) Kahukura. This is an intensive service aimed at helping people and whānau with multiple and complex needs who are experiencing (or at risk of experiencing) extreme financial hardship.

Each Money Mentors client is assigned their own financial mentor. The support provided can be on a one-off, short, or long-term basis, each with a commitment from the mentor to journey with their clients for as long as it takes to ensure a positive financial future.

In the past financial year (2022 – 2023), Visionwest's Money Mentors supported 443 whānau, delivering a total of 1,900 sessions. The combined debt of these clients was \$15,000,000 (\$25,423 per client). Of this, \$1,000,000 was able to be cleared with plans put in place to pay off the remaining debt.²



Throughout its 30 years of service, Visionwest kaimahi have recognised the crucial role Money Mentors plays in the transformation of lives, particularly in the work of journeying with whānau to equip them in their journey to rise out of poverty and step into a life of financial stability.

Also recognised is the complexity of issues that surround those experiencing poverty. Some have mental health challenges, often closely linked to their financial hardship. Others experience a loss of hope as they see no way out of a life of struggling with debt and burgeoning household costs. Yet others, despite multiple attempts to break free from hardship and debt, remain at the mercy of welfare and social support services.

This report informs on these challenges and speaks into a possible way forward.

Methods for Data Collection

This report contains data from two sources:

1. *Client Voices*
2. *Visionwest's Money Mentors Survey*

Client Voices is a client management tool used by BFC providers across Aotearoa New Zealand, including the financial mentors at Visionwest's Money Mentors. When a new client starts, their assigned financial mentor will collect their demographic information and create a client case within Client Voices. In both the first and last financial mentoring session, each client will be offered the opportunity to complete a Wellbeing-Hauora Reflection Survey, the results of which will be recorded by their financial mentor as part of their client case.

Appendix A of this report is a copy of the questions that make up the Wellbeing-Hauora Reflection Survey.

The Money Mentors survey was conducted

by the Visionwest Money Mentors team in November 2023. Information was collected verbally during a phone call between the client and their mentor. Answers were recorded and stored on Survey Monkey.

Informed consent from each client was obtained verbally, with the collected data being anonymous and unable to be traced back to any specific client.

Appendix B of this report is a copy of the Money Mentor Survey questions and the available responses.

Data Analysis

The data from Client Voices was extracted and cleaned using R Studio 2023 in December 2023.

The Money Mentors Survey data was cleaned using Excel. The results are presented by the number of responses, or as percentages.

Findings

The findings of this report highlight the breadth and depth of financial hardship faced by Visionwest clients and indicate a concerning connection between financial hardship and mental health distress.

Encouragingly, and in contrast to the impacts of financial hardship recorded in the survey, the findings also show the meaningful and significant positive impact that engaging with Money Mentors has on client outcomes as they contribute to positive and improved wellbeing.

This Findings section is presented in three parts:

1. **Service overview and clients who responded to the survey.**
2. **Client needs and impact of financial hardship.**
3. **Impact of engaging with Money Mentors.**

1. Service Overview and Clients who Responded to the Survey

Client Voices

As of February 2024, there were a total of 88 active BFC core cases. Between July 2022 and February 2024, Visionwest recorded 629 BFC core cases and 587 BFC core clients (because one client may have multiple cases, the number of cases is higher than the number of clients).

Table 1 shows the ethnicity of the 629 BFC core cases from Client Voices, with the majority (62%) identifying as Māori (31%) or Pasifika (31%)³

Table 1: Prioritised Ethnicity of Active BFC Core Clients from Client Voices.

Ethnicity (Prioritised)*	BFC core cases
	%
	(n/N)
Māori	31%
	(196/629)
Pasifika	31%
	(193/629)
Asian	6%
	(35/629)
Middle Eastern, Latin American, and African	4%
	(26/629)
Other	3%
	(20/629)
European	25%
	(158/629)

* From Ministry of Health's Ethnicity Data Protocol⁴

Of the 541 BFC core clients whose cases have been closed, most (70%, n=382) cases were closed because their needs were met. Of these 382 cases that were closed because their needs were met, most (70%) reported a positive change in their Wellbeing-Hauora Reflection Survey.

Money Mentors Survey

46 clients responded to the Money Mentors Survey. As of February 2024, the total number of active clients accessing Money Mentor services at Visionwest was 88. This means the survey sample represents approximately 53% of the active Visionwest BFC core clients.

Appendix C of this report is a copy of the Money Mentors Survey questions and the participants' responses.

Note that as part of this report, there is a "Statistical Information" section. This contains graphical representations of many of the statistics presented in word-form below.

The most common main source of income for clients was a Work and Income (WINZ) benefit (n=32, 70%). Other sources of income included wages/salary (n=9, 20%), self-employment/contracting (n=3, 7%), superannuation/pension (n=1, 2%) and student allowance (n=1, 2%).

The top three highest expenses included rent (n=39, 85%), followed by food (n=33, 72%) and utility bills, such as water, power, internet, and phone (n=23, 50%). Other expenses included debt repayment, such as bank loans, overdrafts, and car finances (n=23, 48%), transport costs like petrol and public transport (n=17, 37%) and mortgage (n=3, 7%).

2. Client needs and impact of financial hardship

All clients reported having significant levels of debt that needed to be paid off.

Most clients reported having two or more types of debt (n=32, 70%). About half (n=25, 54%) had debt from WINZ advances. Other debt included personal loans (n=17, 37%), miscellaneous debt such as car fines, child support, family debt and rates (n=14, 31%), vehicle finance (n=11, 24%) and credit card debt (n=10, 22%). Some others had debt from Afterpay/Laybuy (n=8, 17%), bank loans (n=8, 17%), student loans (n=6, 13%), rent arrears (n=3, 7%) and payday lending (n=3, 7%).



7 OUT OF 10 CLIENTS REPORTED HAVING TWO OR MORE TYPES OF DEBT.

When clients found themselves short of money, over half (n=28, 61%) would go without medical needs, such as medical visits, dental visits, or prescriptions. Similarly, more than half (n=26, 57%) would go without food. Other clients indicated that they would delay or skip payments or go without car costs (n=19, 41%), other house needs like power, water, and gas for heating or cooking (n=17, 37%), and debt repayment (n=16, 35%).

Some clients also reported needing to go without meeting some needs of their children (n=8, 17%) and rent obligations (n=5, 11%). Very few reported that they would not go without any of these needs (n=3, 7%). Most clients (n=35, 76%) reported going without two or more of these needs.

What is crucial to note is that almost three quarters of clients (n=34, 74%) felt their financial situation had negatively impacted their mental health or the mental health of their whānau. Of the clients who admitted their mental health was affected, over half reported increased feelings of stress (n=29, 63%). Other common negative impacts included increased feelings of anxiety (n=23, 50%), increased feelings of low mood or depression (n=21, 46%) and increased difficulties with sleeping (n=19, 41%).



ALMOST THREE QUARTERS OF CLIENTS FELT THEIR FINANCIAL SITUATION HAD NEGATIVELY IMPACTED THEIR MENTAL HEALTH OR THAT OF THEIR WHĀNAU.

Adding to this grim picture of emotional health are further insights from the survey which showed relational difficulties (n=13, 28%) were common for more than one quarter of the sample group.

Of additional concern is that more than a quarter of the clients surveyed (n=13, 28%) reported experiencing all of the negative impacts as listed above.

The impact of financial hardship shown by the participants of the survey is startling when it is considered that half of the clients surveyed reported feeling helpless about their financial situation (n=23, 50%).

More than a third of participants reported feeling like their financial situation was out of control (n=16, 35%). Living in a state of sustained financial insecurity led others to feel whakama (shame) about their financial situation (n=16, 35%), while others felt they had no plans in place to deal with their financial situation (n=13, 28%). Over 10 percent of the sample participants experienced feelings of rejection due to their financial situation (n=5, 11%).

Once again of concern is that one in five of the clients surveyed felt the burden of all the negative impacts as listed above (n=9, 20%).

3. Impact of engaging with Money Mentors

The Money Mentors Survey found that:

- All clients reported that their mental health (or that of their whānau) had been positively affected through meeting with a financial mentor from Money Mentors.
- All clients reported a sense of achievement regarding their financial situation through meeting with Money Mentors.
- Almost all clients reported having future financial aspirations.

“

Before budgeting we were in deficit of about \$400 a week. That meant we were going backwards all the time. Every week, we worried about whether we would have enough food in the cupboards to feed the kids and there was so much we couldn't do. The children would ask if we could go out and I always had to tell them we couldn't afford it. That was heart-breaking. If it wasn't for Visionwest, we would be homeless, still living in one bedroom in someone else's house. Getting help from Money Mentors changed our lives.

Samantha

Visionwest Money Mentors client.

”





The positive affect of meeting with a financial mentor

Most clients reported reduced feelings of stress (n=33, 71%) and a feeling that they were more in control of their financial situation (n=30, 66%). Almost half reported reduced feelings of anxiety (n=22, 48%) and a similar number felt hopeful (n=22, 48%) that, with their newfound support, their financial situation would improve.

The support of a financial mentor led to over a third of clients reporting that they experienced reduced feelings of low mood or depression (n=17, 37%). Furthermore, those engaged in the service felt that they were now more equipped to deal with their financial situation (n=17, 37%).

A sense of achievement regarding their financial situation.

All clients reported a sense of achievement regarding their financial situation through the mentoring support provided by Money Mentors. This is staggering considering the barriers, as indicated earlier in this report, that many clients faced when commencing financial mentoring.

Most clients reported reduced stress from their financial problems (n=31, 67%) after engaging with a mentor. Half of the clients reported improved financial confidence and capability (n=23, 50%) and felt that, through meeting with the Money Mentors Team, they were connected to the right support when they needed it (n=19, 41%).

Some clients reported an outcome of reduced bad debt, such as high interest loans (n=18, 37%), especially when they had access to appropriate financial services and products (n=17, 37%).

More than a third of those surveyed felt more in control of their finances (n=15, 33%) and felt they had greater capacity to meet their basic needs – such as having a warm home and food – (n=14, 30%) when engaged with the service.

Some clients also reported an increase in their ability to accrue short- and long-term savings (n=8, 17%) while a similar number indicated improved financial and material wellbeing (n=8, 17%) after engaging consistently with a Money Mentors financial mentor.

All clients reported that their mental health (or that of their whānau) had been positively affected through meeting with a financial mentor from Money Mentors.

From Money Mentors Survey results

Future financial aspirations

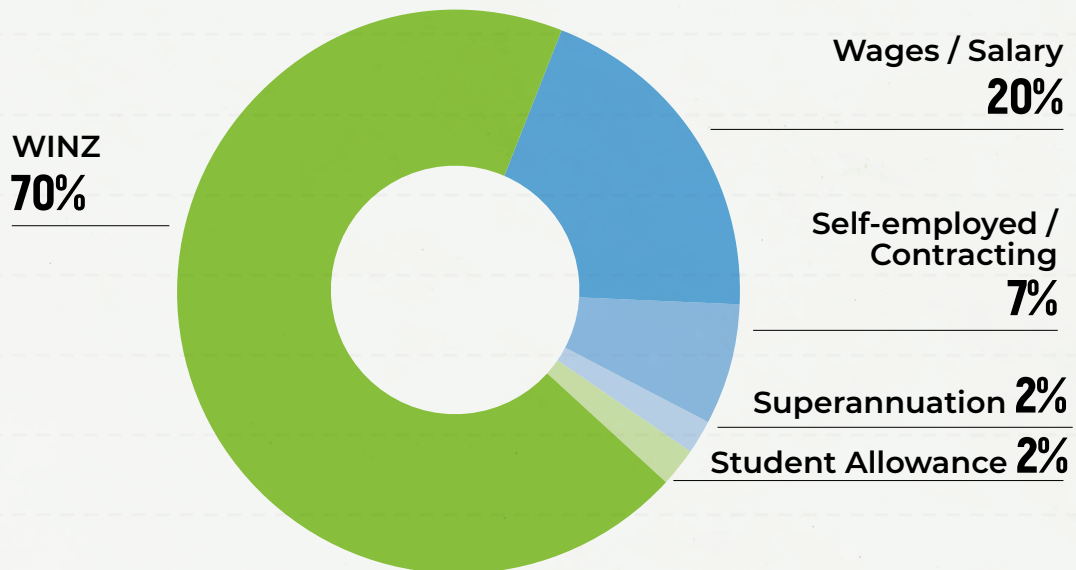
Almost all clients reported having future financial aspirations (n=45, 98%). This is evidence of a breakthrough in financial goalsetting as a key outcome of service engagement.

More than a quarter of participants expressed a desire to be debt free (n=13, 28%) and to establish a savings plan (n=8, 17%). Others reported the desire to either find or maintain their employment (n=5, 11%).

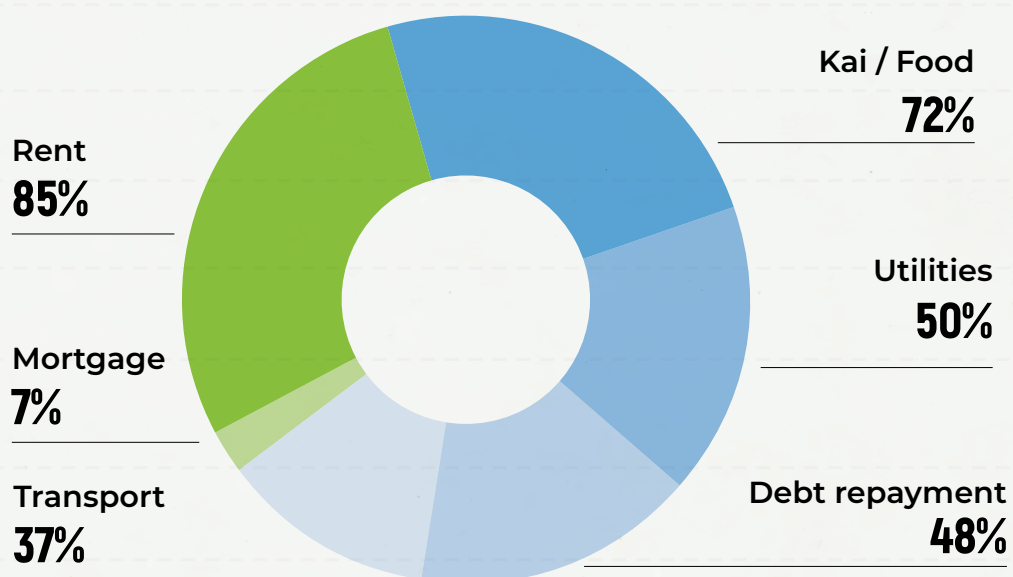
Statistical Information

Some statistics shown below will add up to greater than 100 percent because clients were able to select more than one answer for that question.

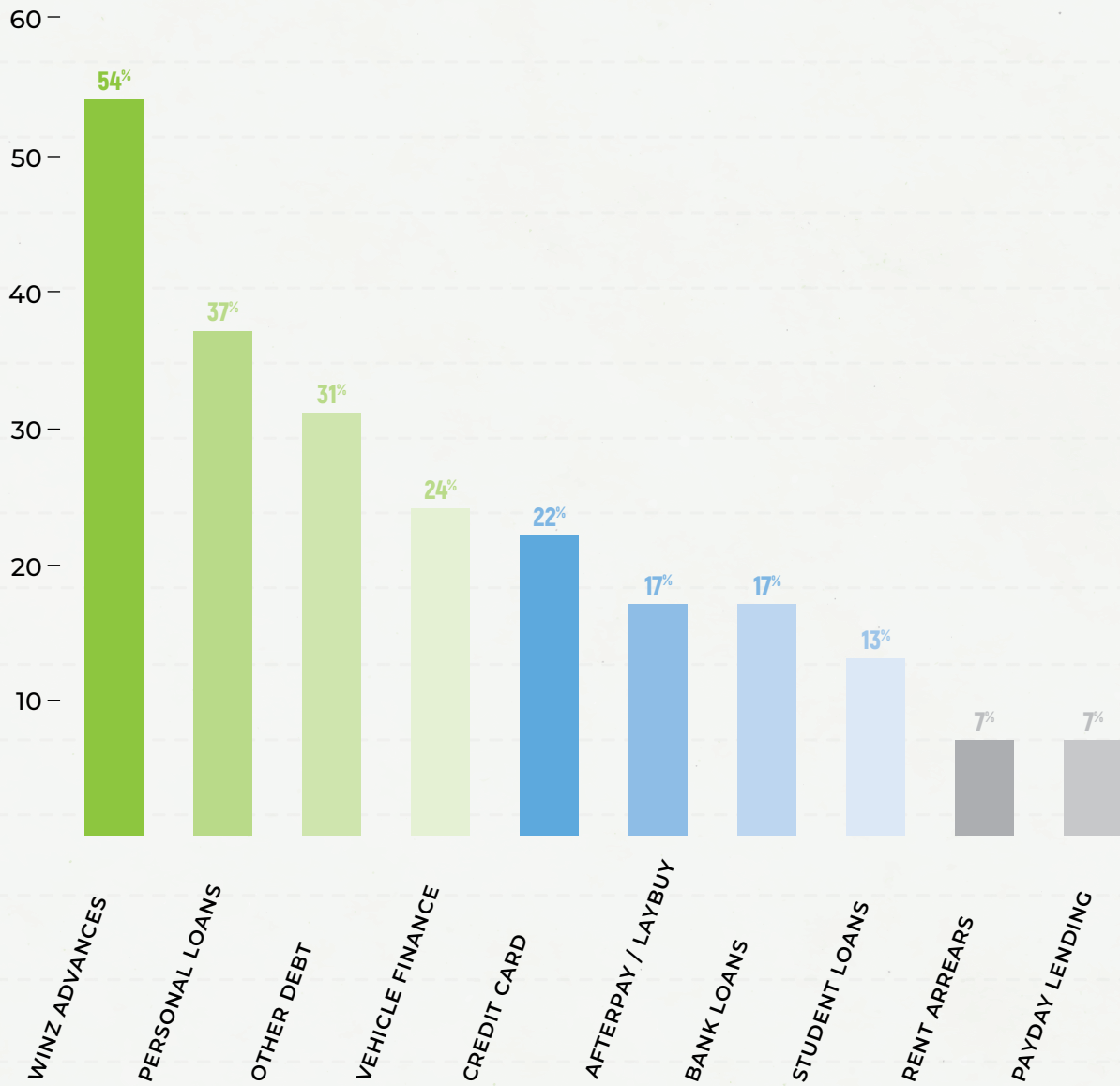
Main Source of income for clients



Top three highest expenses

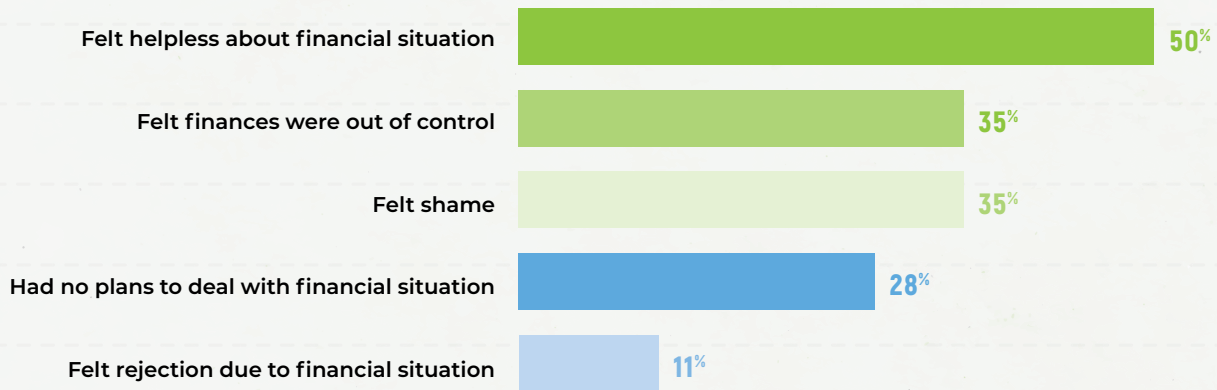


Types of client debt



Note: 70% of clients had more than one debt owing.

The Impact of Financial Hardship



Note: One in five clients surveyed felt the burden of ALL the negative impacts listed above

Positive Impacts of Seeing a Financial Mentor



Discussion

This report's findings shed light on the financial hardship faced by Visionwest clients and how that hardship impacts negatively on their mental health and that of their wider household.

In Aotearoa New Zealand, financial hardship is compounded by other systemic issues and is known to disproportionately impact certain population groups, such as Māori, Pasifika, and women.⁵ While these trends are alarming, the data shows that, for those clients surveyed for this report, engaging with Visionwest Money Mentors has a significant and positive impact resulting in improvements in their financial wellbeing, financial literacy, and mental health.

This Discussion section is split into three parts:

- 1. The need for Money Mentors.**
- 2. The impact and value of engaging with Money Mentors.**
- 3. Limitations.**

1. The need for Money Mentors

The findings of this report reiterate the sobering truth that there are growing levels of financial hardship in West Auckland and potentially further afield. They also show that the effects of this financial hardship reach beyond matters directly related to money and significantly impacts the mental and physical health of individuals and whānau.

Between March 2022 and March 2023, across the motu, the cost-of-living for the average household increased by a staggering 7.7%.⁶ While the previous government continued to implement benefit and minimum wage increases, these adjustments have not kept up with the rising prices of core expenses including rent, utilities, food, and petrol.⁷

From March 2022 to March 2023, for beneficiary households, living costs increased 6.7%, with housing costs making up about a third of this expenditure.^{8,9}

This rising cost of living makes it challenging for whānau to afford everything they need to ensure security, good health and positive mental wellbeing.¹⁰ The findings of this report indicate that, as a result of this, when short of money, the majority whānau are choosing to go without essential items such as medical treatment and food.

The report also shows that “going without” is a common coping strategy to manage financially after taking on new debt.¹¹ In relation to this, the latest New Zealand Health Survey found that one in eight adults reported avoiding trips to the GP due to cost.¹² Similarly, the Southern Cross Health Futures Report found that cost is one of the biggest barriers to many people accessing medical help.¹³

While the report's findings do not explore the precise impact of reducing spending on medical needs, it would undoubtedly have negative implications on any individual's physical and overall health, including the ongoing management of reoccurring health conditions, receiving treatment in a timely manner, and both dental and mental health.

In this regard, connections between financial hardship and reduced physical and mental health have been found to exist, particularly when those in debt were forced to delay or forego medical treatment or prescribed medication.^{14,15}

The effect on health goes beyond medical and dental, however. The findings of this report highlight the significant negative impact that financial hardship has on an individual and their household's mental health. Money worries affect many aspects of life, with links found

“

As a solo mum with four children, I was struggling. The cost-of-living – food, gas, power, and everything else – was going up and pushing me to a point where I didn't know how I would survive. The reality is, I was struggling; really struggling. Everything was just crazy with my finances. By the time I finished my budgeting sessions with Mahesha (Visionwest financial mentor) I had my money on track.

Stacey

Visionwest Money Mentors client.

”



between financial distress and various health disorders, including negative mental health outcomes and reduced quality of life.^{16, 17, 18}

Southern Cross reported that, in Aotearoa New Zealand, half (57%) of their respondents believed money worries (not having enough money to support themselves and their whānau) was a concern related to emotional wellbeing.¹⁹ Similarly, the latest Financial Resilience Index Report reported a rise in financial issues negatively impacting on overall wellbeing.²⁰

2. The impact and value of engaging with Money Mentors

While uncovering the need faced by Visionwest clients, this reports also notes that engaging in financial services like Money Mentors has a positive impact on many wellbeing areas of individuals and whānau, and that of their household.

Indeed, the findings of this report provide a meaningful contribution to the importance of the Financial Mentor sector as it sheds light on the positive impacts of engaging in financial supports, rather than focusing only on a client's material needs.

It is encouraging to see that all survey respondents reported improvement in mental health and a sense of achievement regarding their financial situation after engaging with a Visionwest financial mentor. These positive outcomes draw attention to the effectiveness of one-on-one financial mentoring.

Because Money Mentors is a one-on-one service and applies a strengths-based approach, whānau are seen as the experts and authors of their own change.²¹ Such targeted approaches to financial education programmes tailored to the needs of the recipient are found to be more effective than a one-size-fits-all approach.^{22, 23}

For this reason, financial mentors from Visionwest's Money Mentors service prioritise building relationships with their clients,

seeing them as whole individuals, rather than focusing on their financial burdens in isolation. Experience has shown that this relational approach to financial mentoring is the most effective pathway because it provides a foundation of trust and care in a safe and nonjudgmental setting. This is vital when working together with clients to meet their goals. It also enables the financial mentor to uncover the deeper needs of each client and refer them to other appropriate support services.

Because finances affect every aspect of an individual's world, this holistic approach is essential if any lasting positive change is to be achieved.

The value of this relational approach is demonstrated by a recent quote from one Visionwest financial mentor,

“
The thing that sticks out for me is seeing a change in our clients' faces. When they first walk through our doors, they often show signs of being overwhelmed, scared, embarrassed and uncertain ... then, when you see their faces at the end of the session, I see gratitude, they feel listened to and understood. The smiles on their faces and the hugs that are received means they know that we care and that they have shared their burdens with us with no judgement, and we have provided options to help them.” Tracy, Visionwest financial mentor.

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While socio-economic conditions impact on 54.8% of financial wellbeing, aspects such as money management behaviour, financial confidence and control, and saving and spending behaviours make up around 20.9% of financial wellbeing, highlighting the importance of addressing these aspects to improve financial wellbeing.²⁴

The results of the Visionwest Money Mentors Survey show that clients come out of the Visionwest Money Mentors Service with improved financial confidence, more knowledge regarding the support available

to them, and reduced bad debt. All of these contribute to greater financial wellbeing, but also an improvement in mental health. As one Visionwest financial mentor states

“
 Mentors help others to increase their skills, knowledge, and abilities. Working with clients is witnessing the beautiful transformation of ‘I don’t know how’ to ‘I can figure this out.’
Mahesha, Visionwest financial mentor.
 ”

3. Limitations

There are some limitations to this report that need to be acknowledged. The survey is a cross-sectional, self-evaluated survey and represents a relatively small group of those who have accessed Visionwest’s Money Mentors service.

Despite these limitations, however, the report provides some useful insights to help understand the needs of Money Mentors clients and highlights the impact that engaging with Money Mentors has on those clients.

It has also highlighted some areas requiring further exploration, such as the ongoing impact of living without medical treatments and the need for more robust evaluation and research regarding financial mentoring programmes in New Zealand. A list of suggested recommendations is included in the next section of this report.

Conclusion and The Way Forward

The findings of this report are sobering as one considers the negative impact that financial hardship has on both the mental and physical health of those experiencing it. The findings do also, however, carry an encouraging imperative to move forward as we face the wider challenges associated with financial hardship.



For many years, it has been accepted that the impacts of financial hardship go well beyond issues directly related to money as Money Mentors clients have spoken of the toll it takes on their wellbeing – this report provides quantitative data to confirm that.

Financial hardship and wellbeing

What is especially sobering when analysing this data is the extent to which the physical and mental health of those experiencing financial hardship and poverty is impacted. Fifty percent of those surveyed admitted to feeling helpless and being stressed with their situation while over a third felt their finances were out of control and/or felt shame at their financial predicament. Notably, given a list of possible negative feelings relating to their financial challenges, one in five felt the burden of every possibility within that list.

28 percent of survey participants stated that they were having relational difficulties brought on by money issues.

The societal impact of what could be called “a health crisis” is huge. With a seemingly increasing number of people throughout Aotearoa New Zealand experiencing various

All clients reported a sense of achievement regarding their financial situation through meeting with Money Mentors.

From Money Mentors Survey results

degrees of poverty, the resulting effects of mental and physical health will be felt within all strata of society in terms of health funding, the need for social service supports, and the general security that New Zealanders feel.

The value of a holistic approach to financial mentoring

The report is encouraging with its findings that focused financial mentoring through the BFC programme has improved the mental health of clients by addressing issues related to financial challenges. No doubt there will be a corresponding improvement in physical health also as financial challenges are worked through and clients are able to afford medical health services.

The survey showed that 67% of clients felt a reduction in stress due to the support provided by their financial mentor. In addition, a significant number of clients said they had improved financial confidence, experienced a reduction in debt and felt more in control of their finances.

With this as a background, we affirm the effectiveness of the Money Mentors programme in its ability to alleviate the financial challenges many people face.

As a way forward, the five recommendations are presented. The facilitation of some of these are within the control of Visionwest and the Money Mentors Team. Others require the input of outside parties such as MSD.

Recommendations

Recommendations based on the findings of this report would be that consideration is given to:

1. Further investigation and investment into understanding the size, scope and complexities associated with financial hardship in Aotearoa.
2. Further investigation into the scope, size, and role of the BFC sector and the importance of financial mentoring services to address rising financial need.
3. Further research and evaluation into the associated impact of financial hardship on physical health, mental health, and other quality of life factors.
4. Providing potential funding for BFC providers to measure and assess the state of financial hardship amongst their client bases, with potential for collective research which gives a broader picture to the issues facing households across Aotearoa New Zealand.
5. Changing the delivery focus of the BFC Financial Mentors, recognising the wider social needs of their client base and prioritising relational and navigational support alongside financial mentoring support.

“

I wouldn't be where I am today if it wasn't for those three people [Visionwest counsellor, support navigator and financial mentor]. I love them and I love everyone at Visionwest. Visionwest has always been there for me. I was going through a rough patch, called my Counsellor and she helped me through it. I needed help organising the house Visionwest provided me with, and my Support Navigator was there to give advice and practical help. I went through a tough time financially and my Financial Mentor helped me work out a budget. I didn't know about the Visionwest Pātaka Kai in those days but then, every week, food turned up at my door so I could feed my kids. Everything was different because of that. I had hope back in my life.

Michelle

Visionwest client whānau.

”



Appendix A: Questions within the Wellbeing-Hauora Reflection Survey

Question	Response
I feel hopeful for the future	1 – not at all
	2 – a little
	3 – moderately
	4 – very
	5 – absolutely
I feel supported and empowered to make good decisions with money	1 – not at all
	2 – a little
	3 – moderately
	4 – very
	5 – absolutely
I feel positive about how money impacts my relationships	1 – not at all
	2 – a little
	3 – moderately
	4 – very
	5 – absolutely
I am confident I can achieve my money goals	1 – not at all
	2 – a little
	3 – moderately
	4 – very
	5 – absolutely

Appendix B: Money Mentors Survey questions and available responses

Q #	Question	Included responses
1	Where does your main source of income come from? (Participants choose one)	Work and income benefit
		Employ – salary or wages
		Self-employed or contractor
		ACC
		Student allowance
		Superannuation or pensioner
2	What are your three highest expenses each week? (Participants choose three)	Rent
		Mortgage
		Food/kai
		Bills (e.g. water, power, internet, phone, etc)
		Transport (e.g. petrol, public transport)
		Debt repayment (e.g. bank loans, overdraft, car finances, Work and income, pay day lenders, student loan)
		Other (please specify)
3	If you find yourself short of money, which of these would you go without? (Participants can choose multiple responses)	Medical needs (e.g. medical visits, dental visits, prescriptions)
		Food/kai
		Car costs (e.g. insurance, WOF, registration, repairs)
		Other house needs (e.g. power, water, gas for cooking or heating)
		Debt repayment
		Kids' needs
		Rent
		None of the above
4	What debt are you currently trying to pay off (if any)? (Participants can choose multiple responses)	Rent arrears
		Afterpay/Laybuy
		WINZ advances
		Payday lending
		Credit card
		Vehicle finance
		Bank loan
		Student loan
		Personal loan
		Other (please specify)
5	Do you feel like your financial situation is negatively impacting the mental health of you or your whānau?	Yes
		No
6	In what ways is your mental health (or that of your whānau) being negatively affected by your financial situation? (Participants can choose multiple responses)	Increased stress
		Increased feelings of anxiety
		Increased feelings of low mood or depression
		Increased difficulties with sleeping (not sleeping enough, sleeping too much, trouble falling asleep)
		Relational difficulties (e.g. relationship breakdown, pressure from financial situation placing strain on relationships)
		All of the above
		Other (please specify)
		None of the above

Q #	Question	Included responses
7	Before you started meeting with Visionwest Money Mentors, how did you feel about your financial situation? (Participants can choose multiple responses)	Out of control Worried Shamed Rejected Stressed Helpless No plans All of the above Other (please specify)
8	In what ways is your mental health (or that of your whānau) being positively affected through meeting with Money Mentors? (Participants can choose multiple responses)	Reduced feelings of stress Reduced feelings of anxiety Reduced feelings of low mood or depression Feeling more in control of my financial situation At peace with my financial situation Equipped to deal with my financial situation Hopeful about my financial situation Positive about my financial situation Thankful for the support of Money Mentors I have a plan for my financial situation Nothing has changed or I still feel the same Other (please specify)
9	What have you been able to achieve from meeting with Money Mentors? (Participants can choose multiple responses)	Reduced bad debt Reduced stress caused by financial problems Improved financial confidence and capability Increased short- and long-term savings Improved financial and material well-being The ability to set goals Improved financial decision-making skills My basic needs are protected, such as a warm home and food I am connected to the right supports that I need when I need them I have access to appropriate financial products and services when and how I need them I now feel in control of my finances Nothing has changed or I still feel the same
10	What are your future aspirations or hopes for your financial situation?	Open text

Appendix C: Money Mentor Survey results

Q #	Statement	Response	%	(n/N)
1	Main source of income	Work and income benefit	70%	(32/46)
		Employee – salary or wages	20%	(9/46)
		Self-employed or contractor	7%	(3/46)
		ACC	0%	(0/46)
		Student allowance	2%	(1/46)
		Superannuation or pensioner	2%	(1/46)
2	Three highest expenses each week	Rent	85%	(39/46)
		Mortgage	7%	(3/46)
		Food/kai	72%	(33/46)
		Bills (e.g. water, power, internet, phone, etc)	50%	(23/46)
		Transport (e.g. petrol, public transport)	37%	(17/46)
		Debt repayment (e.g. bank loans, overdraft, car finances, Work and Income, pay day lenders, student loan)	48%	(23/46)
		Other (please specify)	2%	(1/46)
3	What clients go without if short of money	Medical needs (e.g. medical visits, dental visits, prescriptions)	61%	(28/46)
		Food/kai	57%	(26/46)
		Car costs (e.g. insurance, WOF, registration, repairs)	41%	(19/46)
		Other house needs (e.g. power, water, gas for cooking or heating)	37%	(17/46)
		Debt repayment	35%	(16/46)
		Kids' needs	17%	(8/46)
		Rent	11%	(5/46)
		None of the above	7%	(3/46)
4	Current debt	Rent arrears	7%	(3/46)
		Afterpay/Laybuy	17%	(8/46)
		WINZ advances	54%	(25/46)
		Payday lending	7%	(3/46)
		Credit card	22%	(10/46)
		Vehicle finance	24%	(11/46)
		Bank loan	17%	(8/46)
		Student loan	13%	(6/46)
		Personal loan	37%	(17/46)
		Other (please specify)	24%	(11/46)
5	Financial situation negatively impacting the mental health of client or whānau	Yes	74%	(34/46)
		No	26%	(12/46)
6	Ways that client's mental health or whānau's is being negatively affected by financial situation	Increased stress	63%	(29/46)
		Increased feelings of anxiety	50%	(23/46)
		Increased feelings of low mood or depression	46%	(21/46)
		Increased difficulties with sleeping (not sleeping enough, sleeping too much, trouble falling asleep)	41%	(19/46)
		Relational difficulties (e.g. relationship breakdown, pressure from financial situation placing strain on relationships)	28%	(13/46)
		All of the above	28%	(13/46)
		Other (please specify)	30%	(14/46)
		None of the above	26%	(12/46)

Q #	Statement	Response	% (n/N)
7	Feelings before meeting with Money Mentors	Out of control	35% (16/46)
		Worried	63% (29/46)
		Shamed	35% (16/46)
		Rejected	11% (5/46)
		Stressed	70% (32/46)
		Helpless	50% (23/46)
		No plans	28% (13/46)
		All of the above	20% (13/46)
		Other (please specify)	4% (2/46)
8	Ways mental health (or that of your whānau) is being positively affected by Money Mentors	Reduced feelings of stress	71% (33/46)
		Reduced feelings of anxiety	48% (22/46)
		Reduced feelings of low mood or depression	37% (17/46)
		Feeling more in control of my financial situation	66% (30/46)
		At peace with my financial situation	44% (20/46)
		Equipped to deal with my financial situation	37% (17/46)
		Hopeful about my financial situation	48% (22/46)
		Positive about my financial situation	52% (24/46)
		Thankful for the support of Money Mentors	52% (24/46)
		I have a plan for my financial situation	39% (18/46)
		Nothing has changed or I still feel the same	0% (0/46)
Other (please specify)	4% (2/46)		
9	Achievements from meeting with Money Mentors	Reduced bad debt	37% (18/46)
		Reduced stress caused by financial problems	67% (31/46)
		Improved financial confidence and capability	50% (23/46)
		Increased short- and long-term savings	17% (8/46)
		Improved financial and material well-being	17% (8/46)
		The ability to set goals	50% (23/46)
		Improved financial decision-making skills	44% (20/46)
		My basic needs are protected, such as a warm home and food	30% (14/46)
		I am connected to the right supports that I need, when I need them	41% (19/46)
		I have access to appropriate financial products and services when and how I need them	37% (17/46)
		I now feel in control of my finances	33% (15/46)
		Nothing has changed or I still feel the same	0 (0/46)
10	Future aspirations or hopes for financial situation	Open text	98% (45/46)

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- ³ It should be noted that, while together Māori and Pasifika made up 60% of clients in the Client Voices database, 2018 census results state ethnicities in West Auckland included 13.4% Māori and 16.6% Pasifika, a total of only 30%.
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Note that the corresponding photos may not be of the person quoted.



Visionwest
Waka Whakakitenga

building hope
together

| *Kia Tūmanakotia*

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