



Media Release

For Release: embargoed until 2:00pm, 13 November 2009

ANZ releases research into savings behaviour

ANZ today released a major study that provided new insights into how low income earners think about savings.

The research was launched in Melbourne by The Hon. Chris Bowen MP, Minister for Financial Services, Superannuation and Corporate Law and Minister for Human Services.

Significant findings of the research included:

- strong motivators are needed to overcome a 'preference for the immediate' and encourage people to save
- personal support is a major driver of success
- linking savings goals with an emotional driver like saving for a child's education offers a powerful motivation for participants to succeed in reaching their savings goal.

Monash University Associate Dean, Professor Robert Brooks, who worked as an expert adviser on the research project, said the study provided important insights into how a successful program like Saver Plus could support long-term savings behaviour and overcome some factors which can lead to irrational financial decision-making.

"It is important to understand the complexity of human financial decision-making. Examining the behaviour and attitudes of people participating in Saver Plus has enabled us to better understand the importance of several key elements of the program, such as the offer of support and education, as well as strong financial and emotional incentives," Professor Brooks said.

ANZ Deputy Chief Executive Officer, Graham Hodges, said ANZ would use the findings of the research to further build on the banks' financial literacy and inclusion programs. ANZ would make the research results widely available to financial institutions, regulators, consumer groups and governments to encourage further discussion and action on improving financial literacy and inclusion levels in Australia.

"We have known for some time that Saver Plus was making a real difference for many participants seeking to develop their savings skills and confidence. As a major financial institution, we have an obligation to help create pathways to financial security and prosperity, particularly for disadvantaged communities.

"This research confirms the success of our approach and provides insights that we hope will ensure the continued success of Saver Plus and potentially other programs of this type," Mr Hodges said.

...2

Notes to editors:

ANZ Financial Literacy and Inclusion research

In 2002, ANZ commissioned Australia's first national survey of adult financial literacy. Two more national surveys (2005 and 2008) and related studies into financial exclusion (2004) and financial difficulty (2005) followed.

This body of research has provided insight into the groups with low levels of financial literacy, groups excluded from accessing mainstream financial services and the issues and risks this presents, both for those groups and for the wider community.

ANZ's response to the research ranges from its commitment to delivering simple, easily understood products and services to a small loans program aimed at low income earners (Progress Loans), an adult financial education program (MoneyMinded) and a matched savings account that develops participants' money management skills (Saver Plus).

The full report is available at www.anz.com

Saver Plus

Saver Plus directly targets people traditionally excluded from mainstream banking, including low-income women and sole parents. Participants set an education-related savings goal and receive financial education and personal coaching to assist them to reach their goal over 10 months. As an incentive to save, ANZ matches participants' savings dollar for dollar.

To date, Saver Plus has assisted more than 5,000 people to save more than \$4 million, with matched savings provided by ANZ of \$4 million. Independent research by RMIT shows that Saver Plus is highly effective at assisting people to build their financial literacy skills and establish a long term savings habit¹. The research indicates that:

- 96 per cent of participants who completed the program have successfully met or exceeded their savings goal
- More than 70 per cent of participants who completed the program have continued saving at the same rate or more, long after finishing the program
- 48 per cent of participants who met or exceeded their savings goal decreased their level of debt during the program.

Saver Plus was developed by ANZ and the Brotherhood of St Laurence in 2002. Other community organisations involved in the partnership include The Smith Family, Berry Street and The Benevolent Society. It is also delivered by Jewish Care Victoria, Loddon Mallee Housing Services, Bethany Community Support and Ballarat Group Training.

Last month, the Prime Minister announced Federal funding for innovative projects that build financial resilience, including a \$13.5 million grant to expand Saver Plus. The funding will more than double the program's reach by making it available from more than 50 sites, assisting an additional 7,600 people by 2011.

For media enquiries contact:

Kristine McCann
External Communications Manager
Tel: +61 (0)3 9273 0741
+61 (0)421 430 201
Email: Kristine.McCann@anz.com

Sue-Ellen Atherton
External Communications Manager
Tel: +61 (0)3 9273 0741
+61 (0)410 402 785
Email: Sue-Ellen.Atherton@anz.com

¹ Russell, R, Harlim, J and Brooks, R. Saver Plus 2008 follow-up survey results – Saving behaviour of past Saver Plus participants, RMIT University, Melbourne, May 2008.