



The Voices of People in Hard-to-Reach Communities

Responsive tailoring of Building
Financial Capability services to
ensure cultural and social inclusion

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**MINISTRY OF SOCIAL
DEVELOPMENT**
TE MANATŪ WHAKAHIATO ORA

Contents

Executive summary	02
Introduction	05
Background.....	06
Methodology	09
Literature review phase	10
'Hard to reach' field research phase.....	11
Research findings	13
Literature review findings.....	14
Defining those hardest-to-reach	16
Definitions are fluid	18
Client and provider scenarios	21
Amena - A vulnerable refugee.....	22
Tane and Anaru - Ex-gang members helping their community	24
William - Experiencing chronic homelessness.....	26
Ngairé - A community champion.....	28
Lea - An ageing migrant struggling to find work.....	30
Key insights from the research	33
Responsive Tailoring	41
Where to next	47
Bibliography	48
Appendices	50

Executive summary

In late 2016, the Ministry of Social Development (MSD) completed a redesign of budgeting services, which involved co-design with over 500 people and partner agencies within the wider financial capability sector. As part of this work, MSD shifted its funding and overall strategy to an approach that focuses on building the financial capability and resilience of New Zealanders experiencing hardship.

Through its co-design research, MSD identified groups of clients across a continuum of need and level of financial capability, and developed a number of services to meet their needs which were launched from November 2016. However, it was evident that there remained a cohort of people that the MSD team didn't know much about, that were either presenting when in crisis, classified as 'no shows' to a service, or not even engaging with Building Financial Capability (BFC) services. This insight document serves as the first step to better understanding the needs of hard-to-reach communities and designing a service model to meet these needs.

As part of the research approach, we undertook a brief literature review before talking with people with experience and/or expertise in relation to hard-to-reach populations. We interviewed eight individuals and 17 providers and agencies who could inform us about a variety of factors impacting on the lives of these communities including: drug and alcohol addiction, mental health issues, refugee issues, and/or the experience of living in rural/isolated areas.

We propose two 'user types' within the hard-to-reach population as a possible aid for understanding different groupings of people who experience hardship: the 'multiple disadvantage' and the 'culturally or socially isolated'. Feedback from those interviewed was that there may be overlap between these definitions as people are mobile and may move in and out of a user type depending on their circumstances – the descriptions nevertheless resonated with them and are useful to retain.

The report introduces five client and provider scenarios¹ from hard-to-reach 'communities of people' who each have particular needs often not covered by existing BFC services:

Amena



A vulnerable refugee woman

Tane and Anaru



Ex-gang members who are very active helping people in their community

William



Who experiences chronic homelessness

Ngaire



A community worker supporting an isolated and rural community

Lea



An ageing Samoan migrant with English as a second language

Their needs and strengths are described, as well as the sort of assistance that they need to improve their financial capability and resilience.

The diversity of experience and knowledge accessed through these interviews highlighted nine key insights:

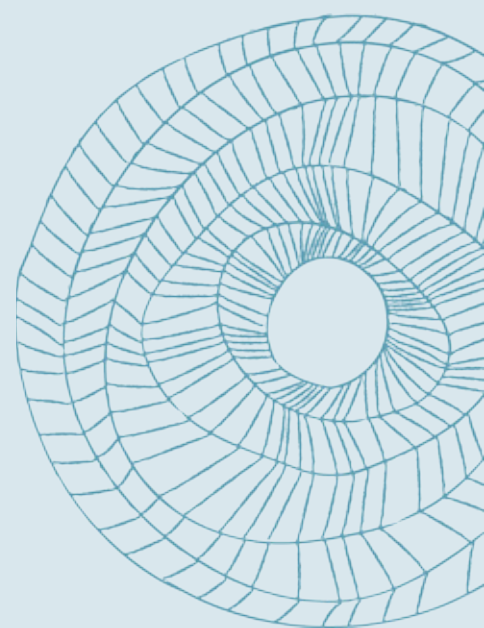
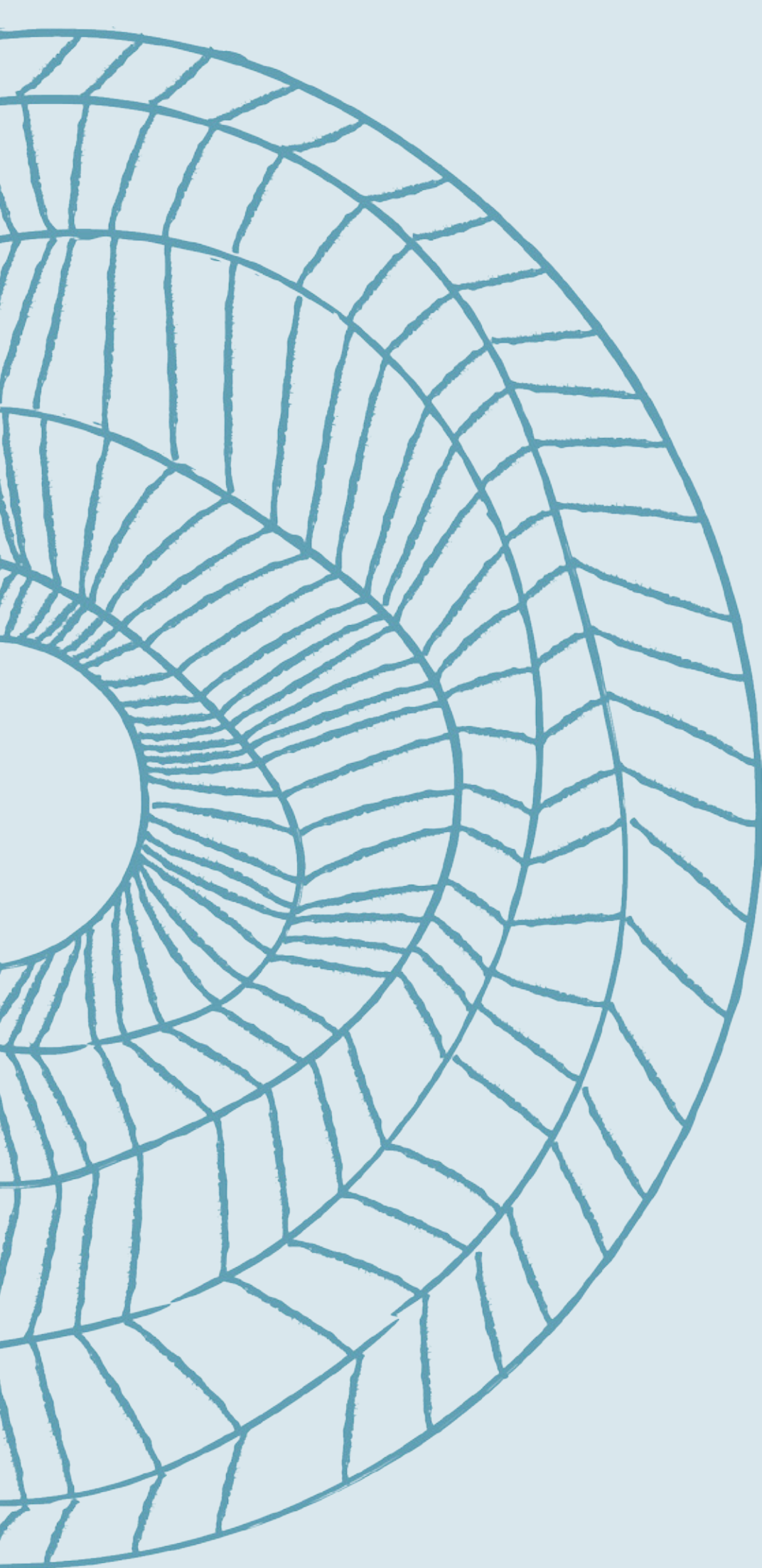
1. Some people hide when the going gets tough.
2. A person can't learn or plan when they are in crisis.
3. Living in a state of crisis can become the norm.
4. People in these circumstances often have a high exposure to violence and being taken advantage of.
5. People go to where they feel supported, loved and can get 'low-friction' help fast.
6. Providers of help and support in these communities are often isolated as well.
7. People are not necessarily wanting to join mainstream government services and will often reject services.
8. Some people are still not aware of available services or find the services inaccessible.
9. Money management and ad hoc budgeting services is helpful for some people.

¹ Names and some details have been changed to protect their identity.

This research also found that the type of service model needed to meet the needs of hard-to-reach groups requires a responsive tailoring approach. Thirteen design principles, grouped into five key themes, were elicited from the research to inform the ongoing service development of future BFC services. The five key themes are cultural appropriateness and responsiveness, community empowerment to enable people to do things for themselves, client-centred service delivery, timely

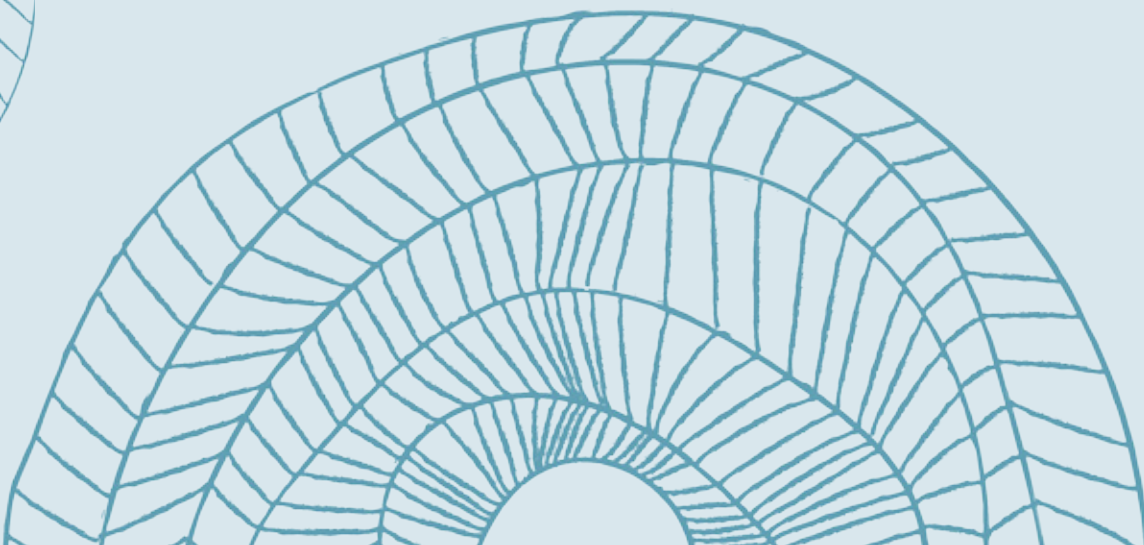
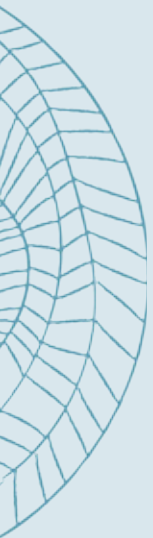
processes and systems, and flexible funding and contracting models to allow for innovation.

It should be noted that the findings from the research cannot be generalised to all of New Zealand's hard-to-reach communities. This is because the sample size was small and it was not possible to include all hard-to-reach groups. Future research will need to explore how to reach the hardest-to-reach communities of people.



Introduction

The aim of this research was to identify and understand the key issues faced by New Zealand's hard-to-reach population in building financial capability and resilience. We then used these insights to develop design principles that will be effective in supporting the journey of this group towards financial resilience in the most meaningful and impactful way. Although this project was focused on financial capability and resilience, we hope that other organisations and sectors can use these insights to inform their work with hard-to-reach communities.



Background

In 2015, the Ministry of Social Development (MSD) led a co-design process with over 500 people, including budgeting services clients, service providers, Work and Income case managers, sector partners and government agencies. The purpose of the co-design was to explore how budgeting services could be better delivered to people, families and whānau experiencing financial hardship in New Zealand. We want services that better support people through financial crises towards becoming financially capability and resilient.

In November 2016, MSD replaced its Budgeting Services with 'Building Financial Capability' (BFC) services with the launch of: Financial mentors², and MoneyMates group programmes³. These services are supported by: a strengths-based financial plan of action and a strengthened and consistent referral and communication practice with Work and Income.

The goal of BFC services is to build the financial capability and resilience of people, families and whānau experiencing hardship. The original redesign work identified that people experiencing financial hardship required access to a spectrum of support ranging from preventative to intensive in the following areas:

- financial and non-financial resources
- social capital
- inclusive financial products
- financial knowledge and behavior.

Since the original service concepts were developed, we became aware, via the financial capability sector, that the new BFC services might not go far enough to help those hardest to reach and/or the usual attempts to connect with them might not work. We agreed to undertake further work to refine some of the service concepts developed, with a particular focus on building understanding of the needs of the most vulnerable and hard-to-reach people. This research builds on previous work completed on the redesign of BFC services and will inform the co-design of other

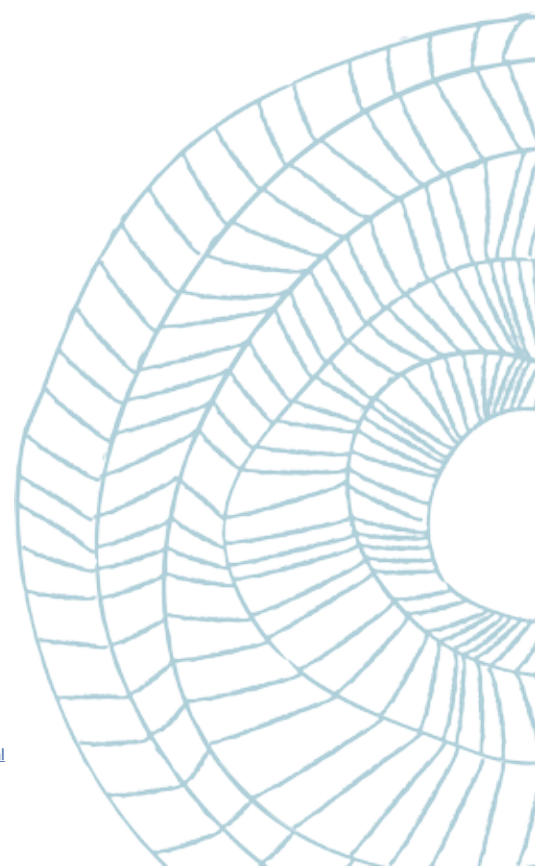
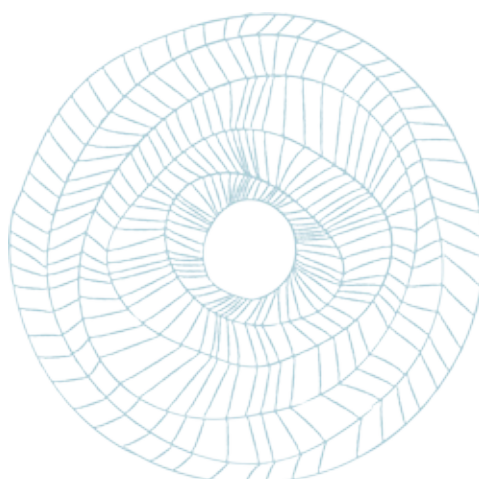
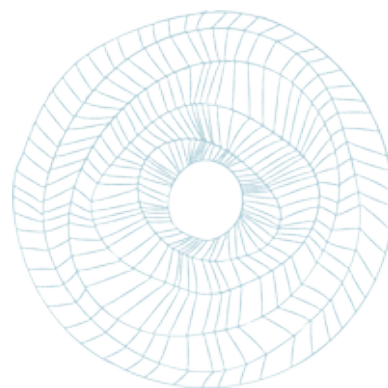
² One-on-one service focused on helping people, families and whānau with their finances.

³ Peer-led support group programmes to encourage people to learn from others as they talk about money and finances in a group situation.

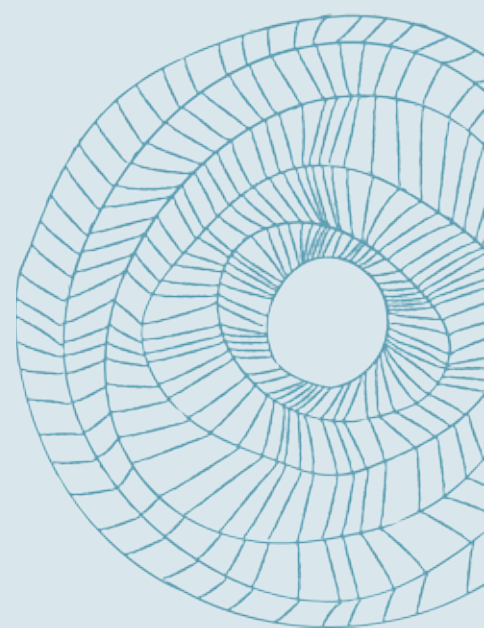
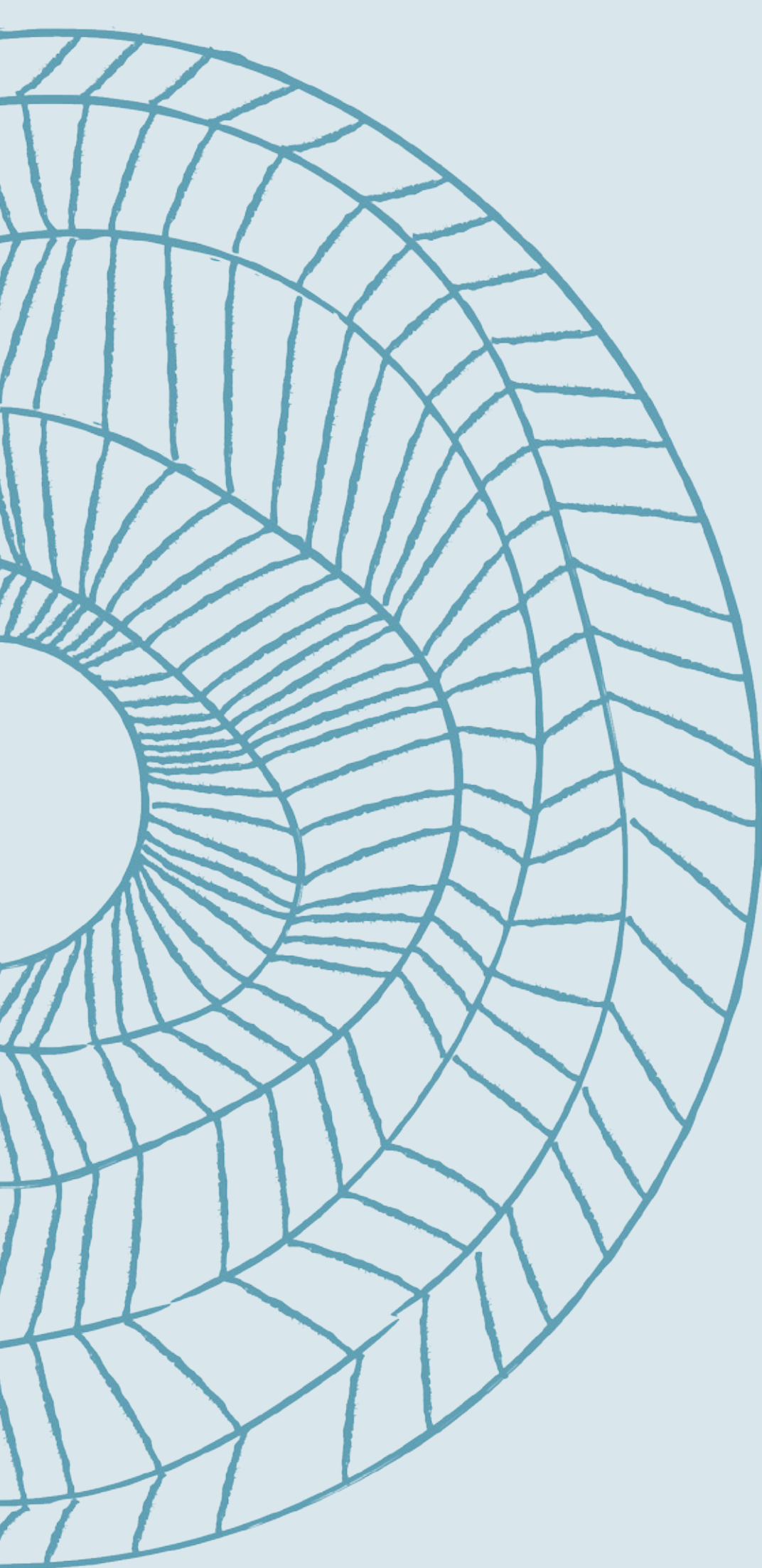
BFC services and products that are in development with a focus on the hard-to-reach communities experiencing financial hardship, and the barriers preventing them from seeking the support they need.

How best to target this group is not a new issue for government (and other) agencies. Many of the known and comfortable solutions do not seem to work well for the hardest-to-reach communities. The solutions to helping hard-to-reach groups are often the trickiest to design, to implement, and perhaps even harder to evaluate for impact. There needed to be new and flexible ways to work more effectively with these groups.

To undertake this research, we partnered again with ThinkPlace (who had previously helped us in the creation of the *Blueprint for Service Innovation*⁴ to guide the development of the new BFC service concepts). We were mindful that carrying out research in vulnerable communities requires a high degree of sensitivity. Engaging with those who are socially isolated is by nature a difficult and sometimes fraught process. There is discomfort around labelling and naming. How do we refer to the 'hardest to reach' without implying that something is wrong with people who are not engaging in services that are designed to help them?

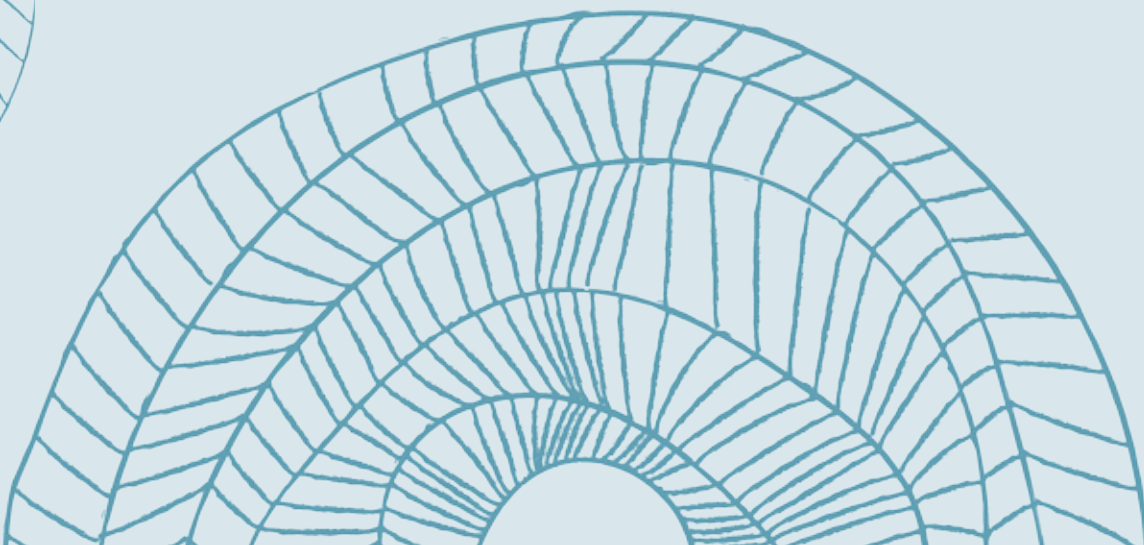


4 <http://www.msd.govt.nz/what-we-can-do/providers/building-financial-capability/training/resources-for-providers.html>



Methodology

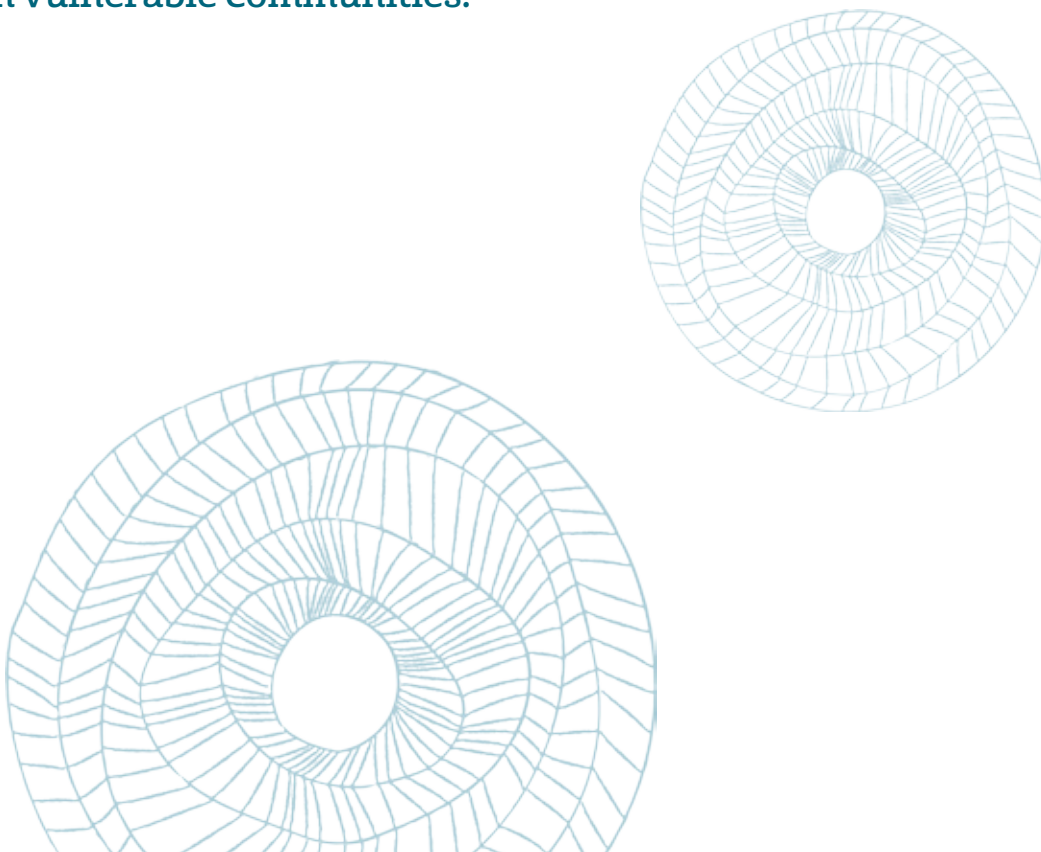
This section provides information about the literature review and the field research phase. Our approach to working ethically with vulnerable people and the approach to conducting client and provider interviews are attached as Appendices One and Two.



Literature review phase

To ensure we conducted a robust and respectful process, we first analysed existing narrative projects on vulnerable groups and related topics such as rough sleeping, street begging, family violence, mental health, Pacific finance models and the experience of poverty. We did this to improve our understanding and to tap into existing insights so that we didn't repeat research that has already been carried out with vulnerable communities.

We then reviewed some relevant literature (as listed in the bibliography). It was not our intention to write a traditional literature review, but rather to come to grips with current and relevant articles that would strengthen our understanding of hard-to-reach populations. The research helped inform the discussions with hard-to-reach people and have influenced some of the insights.



‘Hard to reach’ field research phase

In total, we did 25 interviews which included 17 providers/agencies and eight individuals. Those interviewed had a mix of experience, knowledge and/or expertise about a variety of factors.



Limitations

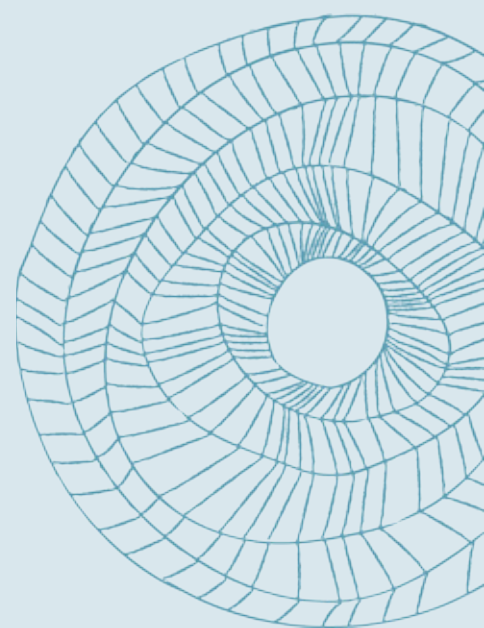
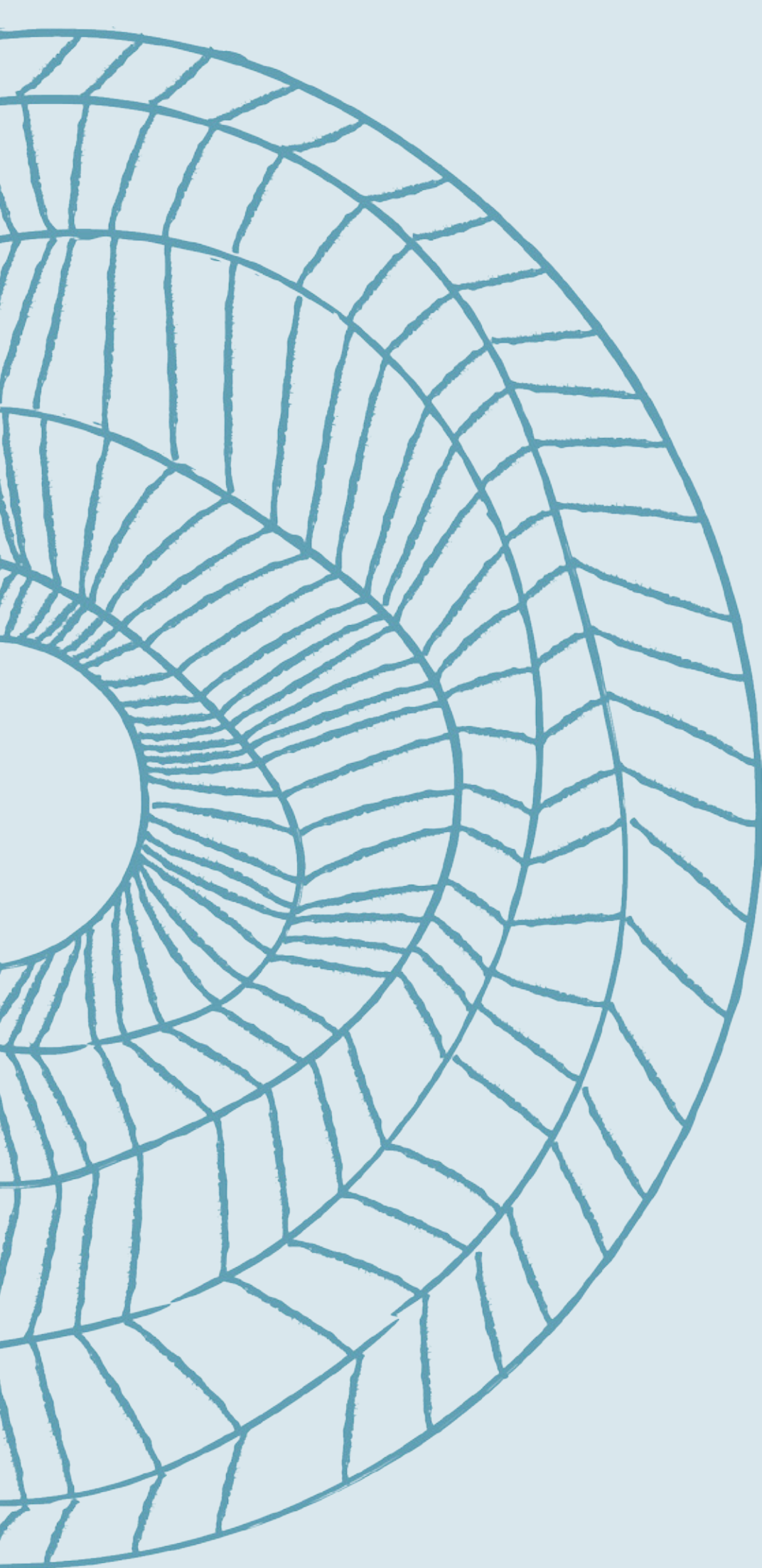
The small-scale nature of this research gives rise to three limitations:

1. Caution should be used when generalising this research to all of New Zealand's hard-to-reach communities. The sample used was small and larger scale surveys would strengthen the findings from this research.
2. We were not able to reach all hard-to-reach groups. The most excluded in society are also the most unreachable and a challenge to identify. Future research methods will need to incorporate how to reach the hardest-to-reach people.
3. We were not able to dive as deep into insights as much as we would have liked but there is further opportunity to do this.

Our field research approach to interviewing providers and clients of services is attached at Appendix Two.

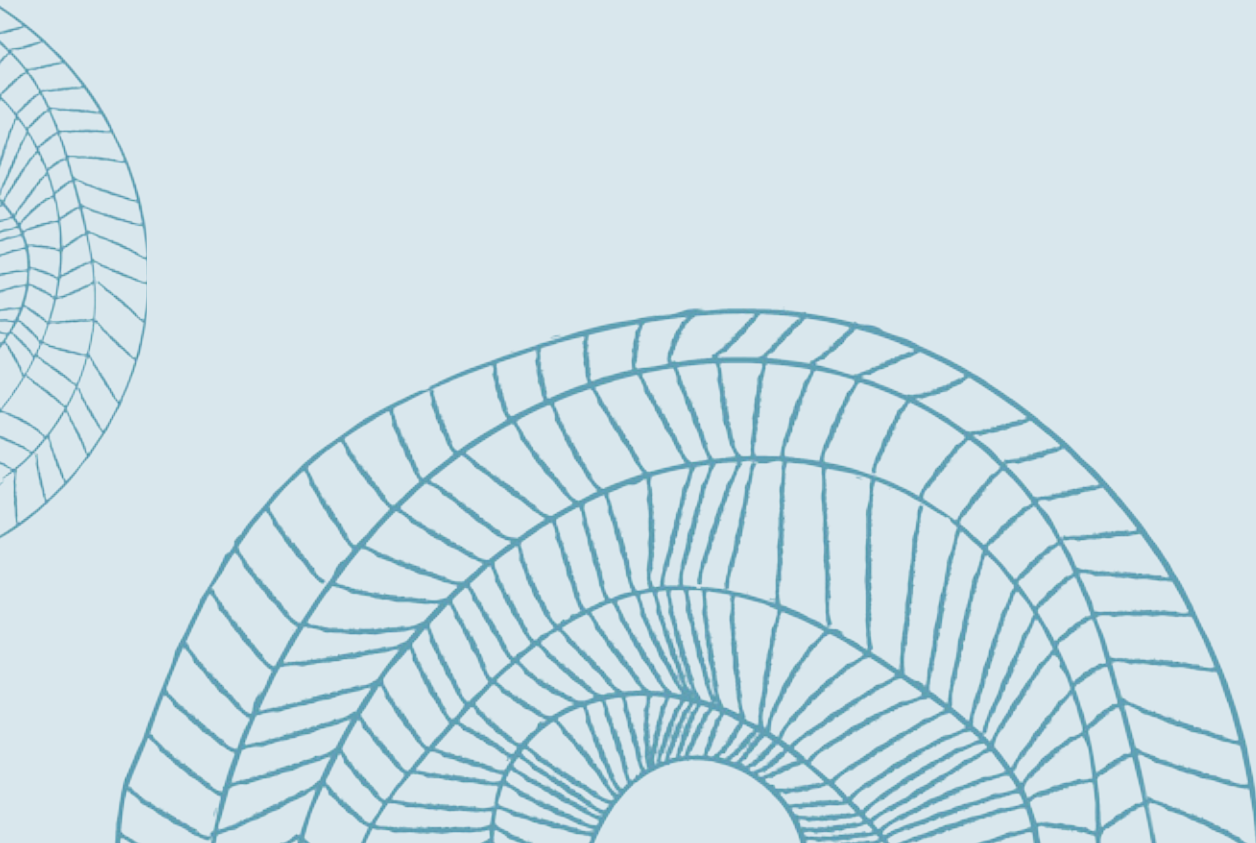
These included:





Research findings

The next section provides in detail the findings from the literature review, further explanation of the ‘hard-to-reach’ user type and some important comments we heard from the people we talked with.



Literature review findings

For the literature review phase, our key findings were that:

- Complexity limits choices and increases risky decisions
- Change happens at the speed of trust
- People go where the love is.

Each of these findings is included in the table below, along with the key components of each finding, and the way in which this could be utilised in designing an intensive BFC service for this group.

Finding	Components of finding	Future design considerations
Complexity limits choices and increases risky decisions	<ul style="list-style-type: none">• Access to money is complex• A lack of money can cause risky behavior• Desperation drives immediate and simple decisions, but not long-term planning or difficult decisions• People in crisis spend a lot of time meeting immediate needs and become fatigued by constant high-stress decisions• Using ‘the system’ costs money• Debt causes debt• Old criminal records can keep people out of opportunities• Financial concerns prevent people from leaving violent situations.	<ul style="list-style-type: none">• What are the design criteria to help with brain/ cognitive functioning barriers?• What are the brain/ cognitive overload symptoms?• What methods can financial mentors use to help overcome these barriers?• Is there an opportunity to target crisis situations to reduce the financial effects?

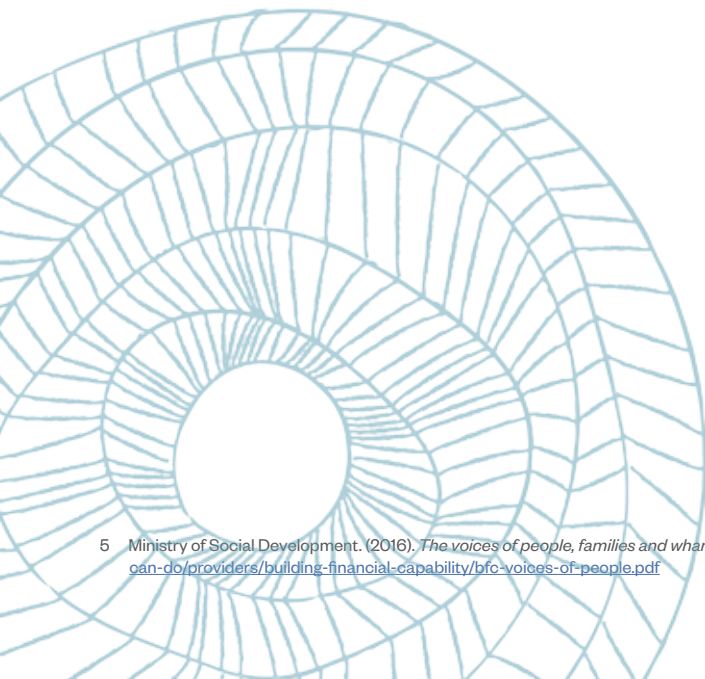
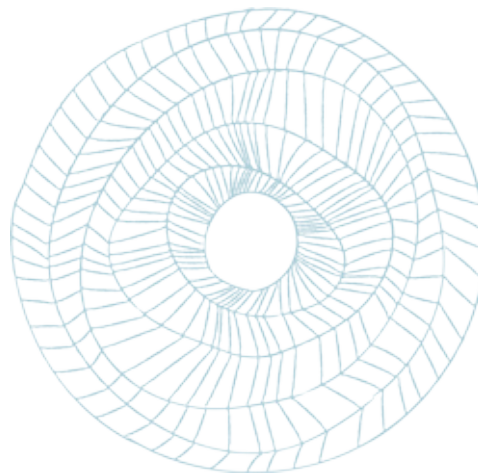
Finding	Components of finding	Future design considerations
Change happens at the speed of trust	<ul style="list-style-type: none"> Well-matched solutions often involve 90 percent trust building and 10 percent addressing specific issues Small, manageable, quick wins can create positive momentum and trust (e.g. use of food entitlement in Work and Income hardship grants to prevent further debt, assist in managing current debt and increasing clients' control of their situation) The importance of referring clients to BFC services at the right time Long-term, empathetic support means that we can 'wait' for the moment that may have the highest chance of being effective Āta haere – going gently with intent Building trust means different things for different people Getting yourself to enter a service can be a formal acknowledgement of an issue Constant pressure for employment creates stress, not trust. 	<ul style="list-style-type: none"> How might we design for long-term trust building?
People go where the love is	<ul style="list-style-type: none"> People will naturally use informal sources of financial and emotional support The 'small things' nurture a sense of belonging and safety that encourages engagement Listening posts – having someone who 'has their back' is transformative Keeping social/cultural connections strong is a priority for many Judgement and shame are barriers to support Negative experiences with services can cause significant emotional harm People often don't use support because they don't know about it, or don't think that it's for them People feel they are under surveillance and in the spotlight when they access formal services The system is good at remembering all your bad moves/bad marks Full transparency is required in order for people to feel that formal services are working with them rather than for them. 	<ul style="list-style-type: none"> How do you find the meaning and value that resonates with individuals and groups? How do you support the supporters? How do formal services ensure that people feel listened to, cared for and supported? How do you ensure services work in partnership with people rather than enforcing 'another control system'?

Defining those hardest-to-reach

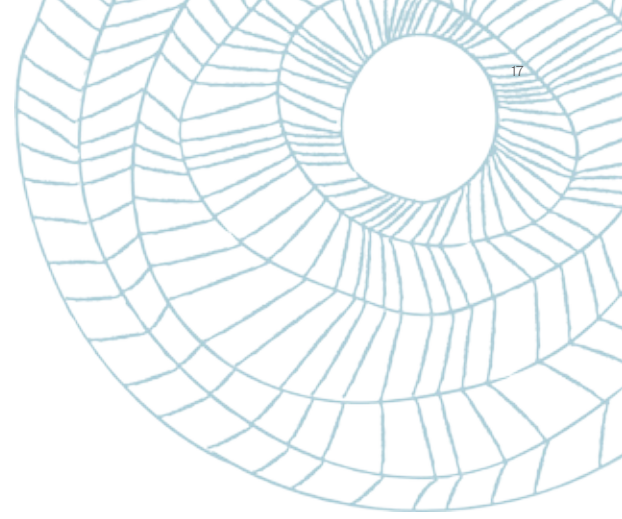
The original project looked at different user types⁵, some of whom were: coping – independent and managing on their own; surviving – with straightforward needs and able to co-ordinate their own support; struggling with complex needs but with some capacity to coordinate support for themselves; and at-risk – with straightforward needs, but may require some support navigating the system.

These user types helped to align ours and the participants thinking and provided a platform for service design principles.

For this research, two user types were identified as requiring exploration: the multiple disadvantage group and the culturally or socially isolated group. The definitions of these groups are shown on the following page.



⁵ Ministry of Social Development. (2016). *The voices of people, families and whanau experiencing hardship: hearing what matters*. <https://www.msd.govt.nz/documents/what-we-can-do/providers/building-financial-capability/bfc-voices-of-people.pdf>



Multiple disadvantage

The Social Policy Evaluation and Research Unit (Superu) defines multiple disadvantage as “families disadvantaged in three or more of eight life domains: education, health, income, housing, material wellbeing, employment, safety, and social connectedness”⁶.

This definition rings true for this research. These cohorts of people are in immediate need of holistic support to address multiple crises in their lives. They often have low level financial literacy and are likely to be repetitively referred from Work and Income as a result of frequent hardship grant requests. They are on-going users of various support services and require both their financial needs and other multiple disadvantage areas addressed simultaneously but it may be possible that some of their other needs are addressed at a much slower pace and via different approaches.

They may have multiple issues such as:

inter-generational benefit dependency

low financial literacy

mental health

family violence

housing

debt

high users of hardship grants

addictions

child protection

Culturally or socially isolated

These are people and populations who have a completely different cultural or social lens. They may not understand finances or social support systems in a way that allows them to manage well in NZ, and need specific help to bridge the gap between where they are and where they need to be in order to build capability and thrive.

They may be experiencing:

refugee and migrant status

gang affiliations

homelessness

serious and chronic mental health issues

serious criminal convictions

disabilities that impact upon ability to understand / get / maintain a bank account

transience

out of prison

addictions

6 Social Policy Evaluation and Research Unit. (2017). Patterns of multiple disadvantage across New Zealand families <http://www.superu.govt.nz/sites/default/files/Families%20and%20Whanau%202017%20Multiple%20disadvantage%20reportf.pdf>

Definitions are fluid

This research began by exploring these definitions in the quest to better understand the needs of the most vulnerable people. What we found is that while attempts to better categorise and draw parameters around these user types highlighted some inaccuracies, the original descriptions resonated with people spoken to in this research and were confirmed as useful to them.

Some of the concerns expressed about the user types included: people had difficulty seeing them as plainly as the definitions indicate and that there is some overlap between definitions, and that people are mobile and may move in and out of a user type depending on their circumstance. We heard from respondents of the MSD Intensive Support Services Consultation⁷ that the definitions sounded deficit-based rather than strengths-based. We learned from the interview participants that the *outsiders* or *isolated* may be the *insiders*, based on one's perspective (for example, a remote gang community or a refugee group may call themselves the *insiders* and others as the *outsiders*).

We learned that people with multiple disadvantage move in and out of that definition. People in these circumstances experience varying degrees of severity at a point in time, from being in constant or normalised chaos to feeling overwhelmed by the complexities in their lives when crises compound. We also now know that people can become isolated because they can hide or drop out of the system when crises occur. Being *culturally* or *socially isolated* may be a consequence of withdrawing from contact with others when a crisis occurs, making people even harder to reach with conventional services. Being isolated is also a function of services not being available. For example, we heard from a refugee and migrant provider that, "*I think they will always be the 'outside'. Because they don't know about the government services here or not well enough*".

⁷ <http://www.msd.govt.nz/what-we-can-do/providers/building-financial-capability/service-design/intensive-support-services.html>

We also heard from some ex-gang members working within their community about how it feels to be isolated. *"How do you talk to somebody that's highly educated when you haven't got an education, sitting there opposite that person, you know when they're throwing all these things at you, you know you just wanna go home."*

Nonetheless, people interviewed felt that the broad user type categories were useful. In fact we learnt that the definitions are more fluid than originally conceptualised. This made sense to those who were interviewed, and resonated with the difficulties they experienced in concisely describing this 'hardest-to-reach' group.

Some important comments about services that we heard from people we talked with are included below. The insights gathered include: engaging communities through building trust and fostering positive relationships. We also heard that people tend to not seek services until they hit their personal rock bottom. This means, there may need to be a lot more patience on the part of supporters and providers and an understanding that engagement can take a while, and will only occur when people are ready and willing to receive it – 'on their terms and at their speed'.

People in hard to reach communities experiencing hardship tell us...

"I'll be 100% honest, I get a disability allowance, part of that disability allowance is for alternative health care which is to allow me to go to swimming pools, to walk in the water just to release the pain, but I can't afford to use it for that, I'm using it for things that I shouldn't, like gas I need at the moment, has to be used for all of that, so I'm not getting the health I need."
(client)

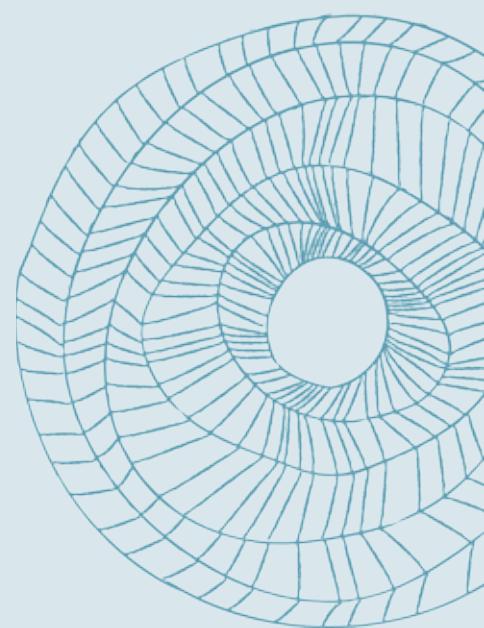
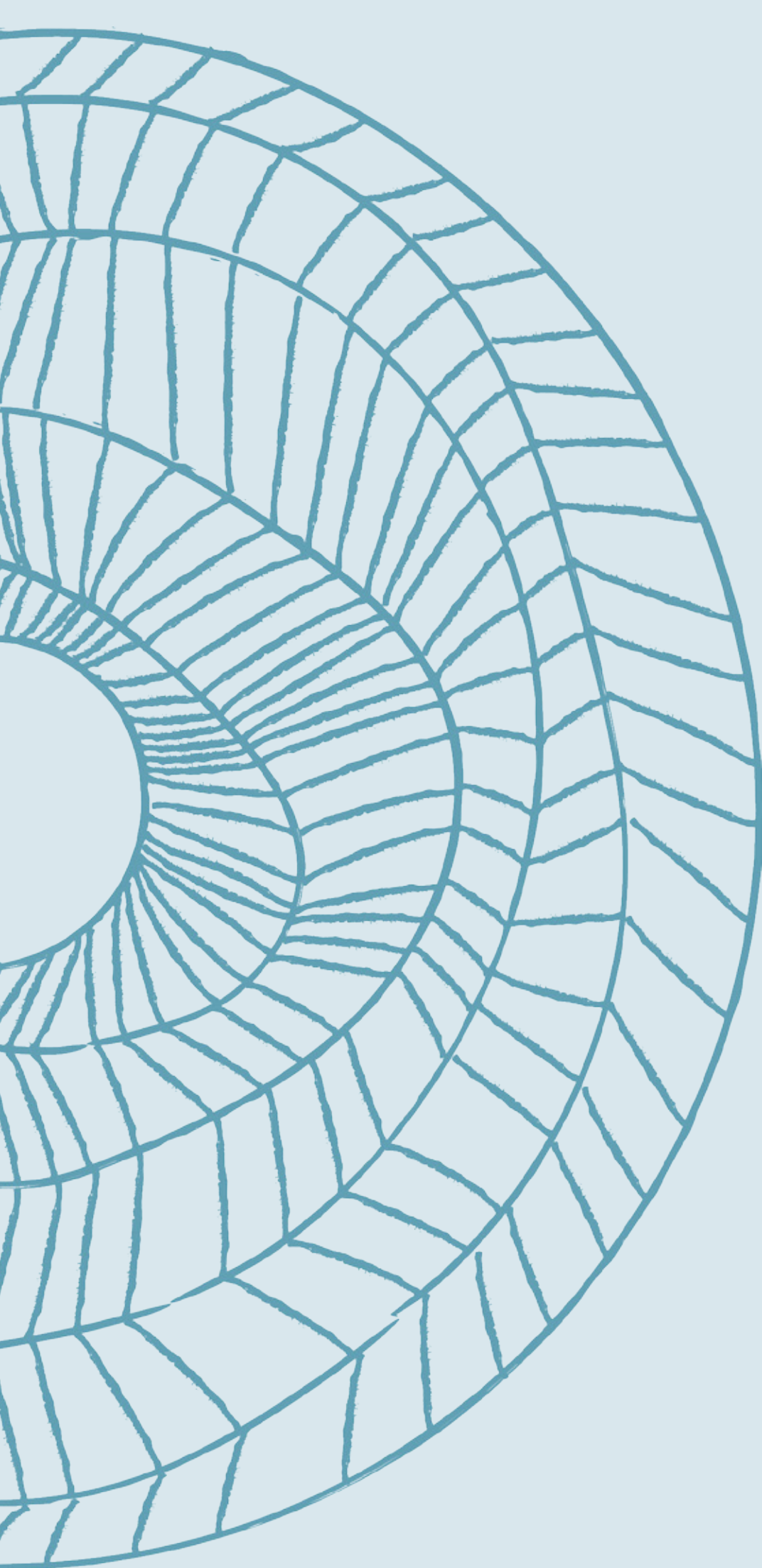
"They can see that there are people out there that come from the 'hood, grew up in the 'hood and know what the 'hood wants. They end up trusting us more than anyone out there. Because we've been through it, we've done it and we're trying to find a good way now for them." (provider)

"You come and engage more...actually see what it's like out in these sort of areas... you need to take the time to actually get to know the people you're dealing with, like a human being, not just a number." (provider)

"Our kids need to be told, 'they've got mana, they are part of this society, they are gonna achieve out there but that never happens. It's so hard because you don't see what's out here day-to-day. You hear it but you don't see it. You don't feel it.'"
(provider)

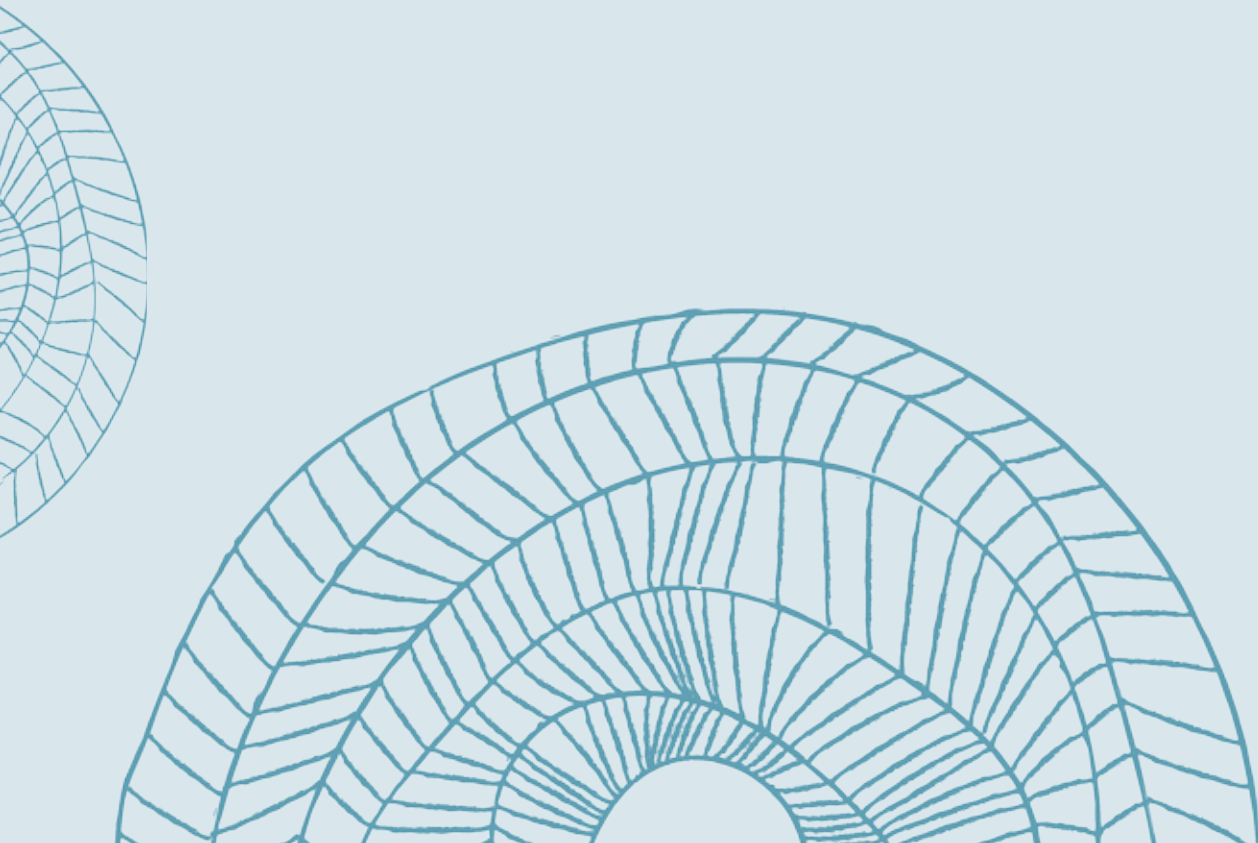
"For those mums who cannot speak English, they will ask me to be their interpreter which is okay. That's why I keep saying that the trust is very important. If she can't trust this social worker she's not gonna tell her anything. Then she won't get the right help she needs." (provider)

"They won't really get to me until it gets really bad. There are a couple of mums, I actually meet them in the hospital because they didn't ask for help until their husband beat them up and they end up in the hospital. Then they call me for help." (provider)



Client and provider scenarios

The following scenarios bring to life some of the people we met. The names and some events have been changed to protect their identities. The scenarios illustrate their challenges, their strengths and ways we might help them thrive.



Amena

A vulnerable refugee

Amena is an intelligent, married refugee woman with four children.

Her husband is in and out of the picture, but she says he's highly controlling and has 'spies' in the community to report back on what she's doing when he's away.

She doesn't understand New Zealand's benefit system very well, she doesn't really know what is available, and she is not used to thinking of benefits or services as an option for support. She sticks closely to people within her own community.

She is constantly afraid for her own health and safety, and for her children. Her oppressive environment means she can't go out and get a full-time job – it's not usual for women in her cultural community to work a lot. She is desperate to find ways of increasing her income because they are so poor, but her husband only allows her to work a few hours a week, and only in jobs of which he approves.



In her words

“The big difficulty is the culture. If my husband knows what I’m doing, he will go and use the whole community against me.”

“Without his permission, I can’t do it [go into business to generate income]. If I go and have like a lady friend [from my community] and the lady is agreeing with her husband [that she can] work with me, that still is not acceptable for my husband cos he saying ‘I’m here. I’m alive. I not agree, why you go?’”

“When he leave, he don’t care about me how I should survive or not. He knows I can’t leave him because of my children. He just took advantage from my weakness.”

“If my husband knows what I’m doing, he will go and use the whole community against me.”

Amena’s strengths

- She is keen to build her income by developing some work skills
- She has a good grasp of the English language
- She wants to make the most of new opportunities available to her in New Zealand
- She is very focused on her family and wants her children to make the most of their opportunities
- She is resilient and motivated although she has experienced hardship and trauma growing up
- She is very involved in her community.

How can we support Amena to thrive in her community?



Find an internal community champion or supporter (including informal/formal networks) who:

- understands the cultural context and norms in her society
- preferably speaks the same language
- specialises in building relationships and trust with refugee communities
- provides advocacy or navigation with other organisations e.g. talking to family violence experts on her behalf
- recognises that she suffers a lot of crises and stress which prevents her from having the right frame of mind to deal with issues
- will provide her with nurturing to feel safe before she can plan and learn new things about building financial resilience
- specialises in resettlement or refugee services for targeted support.



Provide coaching to identify that the type of violence she suffers is not appropriate or ok in New Zealand.



Develop a safety plan that builds financial resilience.



Provide counselling for the whole family.



Develop a culturally-appropriate social enterprise business model that she could be a part of.



Access community-developed programmes that will work with the men to help their families.

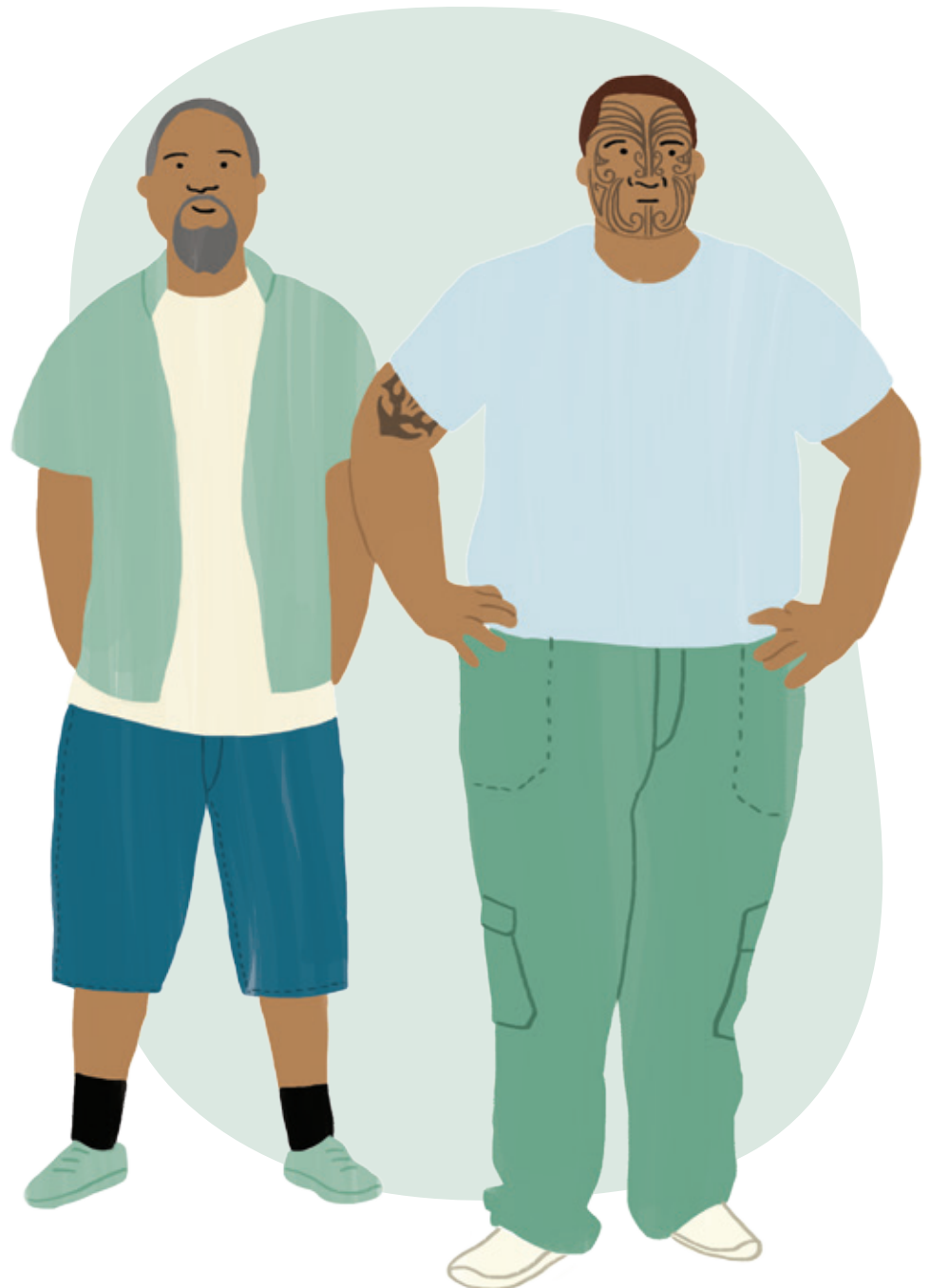
Tane and Anaru

Ex-gang members helping their community

Tane and Anaru are ex-gang members, dedicated to helping people in their community with criminal convictions, who also have low literacy, low educational achievement and few job opportunities due to their convictions.

Their community prefer to do things for themselves and refuse to engage in mainstream services, which they see as the 'outsiders'. People take them at face value and don't understand the complexity of their difficult lives. They carry around a sense of collective shame and feel isolated from others because they are constantly judged.

Their community struggles to have the basics – education doesn't meet their needs, literacy is a major issue, and housing prices are a concern, with people spending most of their income on rent. The supporters are just as vulnerable as those they are supporting.



In their words

“We’re more about developing programmes at levels that are going to fit the community rather than [programmes with] the rules and regulations that do not fit the community.”

“Don’t think of us as dumb, we’re the bottom of the basket but we are beautiful people that wanna get to where you are if you loosen the strings up there. We just want the chance to prove that we can be as clever and as engaged as you are... we haven’t got certificates to say we’re like that but we’ll walk the walk and that’s good enough for us.”

“Bring the people out of the ‘hood to help the people in the ‘hood...’ Train up the people in the area and then you’ll see good things coming out.”

“We just want the chance to prove that we can be as clever and as engaged as you are... we haven’t got certificates to say we’re like that but we’ll walk the walk and that’s good enough for us.”

Tane’s and Anaru’s strengths

- They are well-matched to their own community
- They have energy and commitment to help make changes
- They can reach people that others can’t
- They teach reading and writing to families as a gateway to employment opportunities
- They have established good connections with training centres in the area to provide qualifications for their people.

How can we support this community to thrive?



Support for community development and enterprise development practices.



Enhance mana by supporting them to ‘do it for themselves,’ i.e. have their own people trained to deliver services for their community.



Use a peer-led group programme (e.g. MSD’s MoneyMates) that is delivered by their own community and in a way that takes account of low literacy levels.



Facilitate another provider or collective to act as an umbrella organisation and be a fund holder e.g. an iwi-based provider to be fund holder and support Tane and Anaru through the tendering process.



Link in with community-based initiatives such as MSD’s E Tū Whānau initiative.



Support them to obtain BFC and other social service programme funding.



Ensure service brokers are non-judgmental (e.g. for employment, education, housing).



Provide tailored support at different transitions (e.g. to gain tertiary qualifications, coming in and out of prison; in and out of employment).



Develop models of support that deal specifically with low education, chronic unemployment and high housing costs as a major issue.

William

Experiencing chronic homelessness

William is a homeless man in his mid-50s who has been in and out of prison and uses a drop-in centre regularly for food, company and respite from the street.

He also has mental health and addiction issues. With the help of the friendly people at the drop-in centre, William is able to address some of his demons including his drinking and the need to reduce his debt.

One of the challenges for William at the moment is his health. William is experiencing increasing pain from years sleeping on the streets and would like a bed, but not the burden of paying rent and maintaining a house. He recalls his prison times as good times – it guaranteed shelter, a routine and a social life. Occasionally his possessions and money are stolen by other ‘streeties’, which makes him angry.

In the past, he has been trespassed from some services due to his angry outbursts. He is adamant that he doesn’t need help from services, and has had bad experiences with services in the past. He reports that the people at the drop-in centre however are friendly, and he likes them as they sometimes help him navigate services.



In his words

“The lady would say, ‘you’re spending all your flipping money on drugs and alcohol’ that was her attitude just going in all the time... just was rude and she definitely was showing attitude, if she didn’t have her attitude and was able to hold her tongue or her opinion as a professional... that might have been easier.”

“There’s underlying mental health issues in relation to sometimes why I’m drinking... it’s not just clear-cut that: ‘ah he just chooses to drink and that’s as simple as that,’ cos it’s not like that.”

“I was often borrowing money from friends to have enough money for food and stuff on top of rent. Without some of the friends I’ve got I would’ve gone hungry.”

“There’s underlying mental health issues in relation to sometimes why I’m drinking... it’s not just clear-cut that: ‘ah he just chooses to drink and that’s as simple as that,’ cos it’s not like that.”

His strengths

- He’s social and is very street-savvy
- He’s a survivor and resilient in the face of hardship in more than one area of his life
- With support he is starting to make small changes.

How can we support William to thrive?



Help him access a supported living environment.



Provide financial capability support for transition periods (in/out of prison).



Offer flexible, ethical and easy-to-use total money management, for when he needs it, or for when he is being targeted by other streeties for cash.



Create opportunities for him to belong to a positive community, such as a volunteer job at the drop-in centre, or some purposeful activity.



Develop a pathway and empower William to facilitate a peer-led group programme such as MSD’s MoneyMates programme, as a peer support person for the homeless, and utilise his ‘street-wise’ skills in a positive way.

Ngaire

A community champion

Ngaire is a community worker in an isolated, high-deprivation, rural community who, despite not being funded, is passionate about improving the financial capability of her community.

She is a one-stop-shop in a sense as she just does what her community needs.

She is frustrated that she doesn't have funding to do all the things required to help meet the needs in her community, especially the continuous stream of needy women and children. She has found that the best way to deal with people and build their trust is to start slowly and wait for them to come to her. People come and go – and when they are in a real crisis mode, they tend to fall off her radar and she doesn't see them for a while. If she had time, she might go around and find them but she's just too stretched.



In her words

“People are struggling but they don’t want government help. They are whakamā, have too much pride and prefer to sit and struggle. But they don’t understand what they are entitled to. They are frustrated and can’t see a way out.”

“[Government] services talk about manaaki / whānau – we should walk the talk.”

“Working with the families, looking at the whole system that young person is within, what they come with, what they go back to, we really work to engage everybody along that journey.”

“They are pushed into a situation they can’t control. They need extra money. They just don’t have enough up here. That’s when they either get angry... or they just cry.”

“People are struggling but they don’t want government help. They are whakamā, have too much pride and prefer to sit and struggle. But they don’t understand what they are entitled to. They are frustrated and can’t see a way out.”

Her strengths

- Ngaire has high energy
- She has an insider view of the community
- She is a trusted person that the locals know
- She has excellent community skills
- She is a qualified social worker

How can we support Ngaire to help her community to thrive?



Provide funding models that are flexible and allow for long, slow engagement that builds trust and outreach.



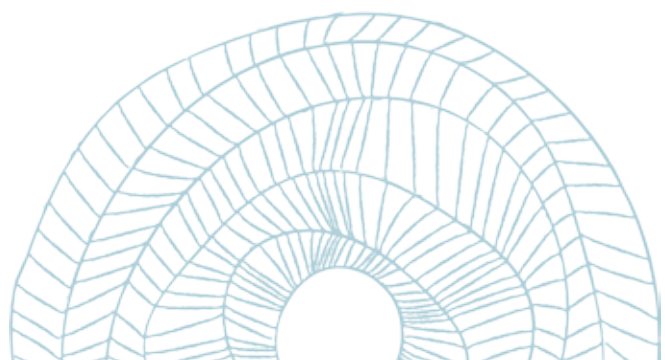
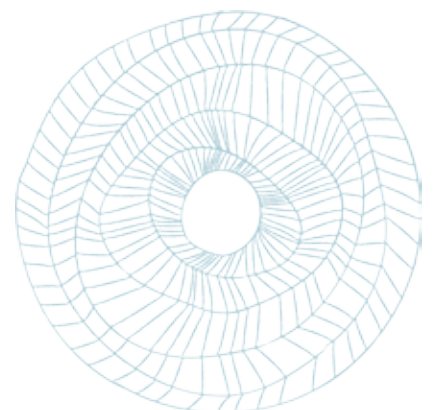
Offer training that supports her holistic style.



Provide peer and professional support so she doesn’t burn out.



Link her into a host agency that supports her and lets her get on with the job.



Lea

An ageing migrant struggling to find work

Lea is a Samoan woman in her late 50s who lives alone, has never married, and has no children. She has lived in New Zealand off and on for about 30 years.

She has been employed most of her life but she lost her cleaning job after a miscommunication with her employer, and is now out of work. She is having difficulties in finding employment and she believes her age is the barrier for her getting a job. She is on a benefit and lives in a Housing New Zealand flat.

She met a man who has 'befriended' her and moved into her flat. He refuses to pay rent, won't contribute to paying the power bill, and he eats her food. Lea says he uses all his benefit for gambling, alcohol and cigarettes. He often comes home drunk late at night. Lea is torn because she is active in her church and culturally, she knows it's the right thing to do to help people. She has asked him to leave and he refuses. Lea doesn't know what to do and she is worried that if it weren't for her, he would be living on the streets. But having him there means she is sliding into debt and she has approached Work and Income for help. She is afraid to tell them what is really happening – she assumes they won't understand.

Being Samoan means that questioning authority is a challenge for Lea. She is vulnerable to being taken advantage of and as English is her second language, she does not feel confident enough to stick up for herself.



In her words

"I got someone to help me, my friend... he never helped me, he just move in my place to live... he was working but he never pay anything to me. I think he's using people."

"I didn't want that thing, they [a jewellery store] force me to, they put it in the box, 'this is for you, you can take it home now' but I don't want because I can't afford. I said to her no I can't afford and she put it in my bag, she forced me to take home..."

"I always put \$20 out from my benefit to put in the church every Sunday... even if I got no money I still put \$20."

"My rent is \$160, my benefit is \$210. I always go and find a job but I think the hard thing for me to find a job because my age."

"I always put \$20 out from my benefit to put in the church every Sunday... even if I got no money I still put \$20."

Her strengths

- Lea has a generous spirit and supports those around her
- She is resilient in the face of difficult situations and circumstances
- She is self-sufficient
- She is motivated to find employment even when she experiences constant set-backs.

How can we support Lea to thrive



Find an empathetic supporter who can understand her circumstances, preferably one who can communicate with her in her native tongue, empower her to have better boundaries and help her navigate around the NZ system.



Introduce her to other forms of resources e.g. use of Pacific Island radio station to access information in a language that is easy for her to grasp.



Support her in learning a non-judgemental approach to saying 'no'.



Acknowledge her need for boundaries and her desire to help others.



Focus on ways of protecting her from harm.



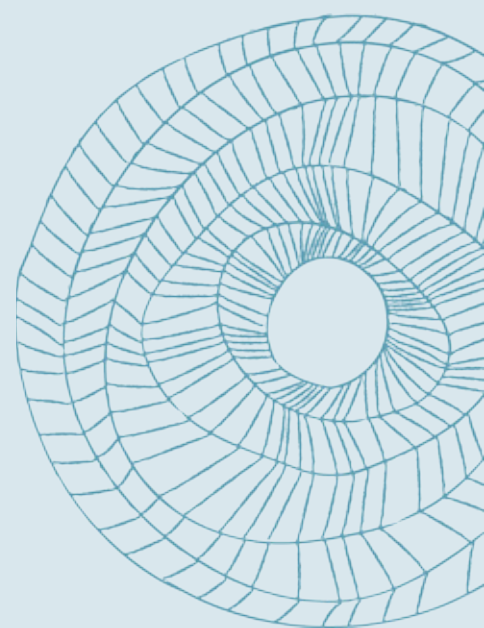
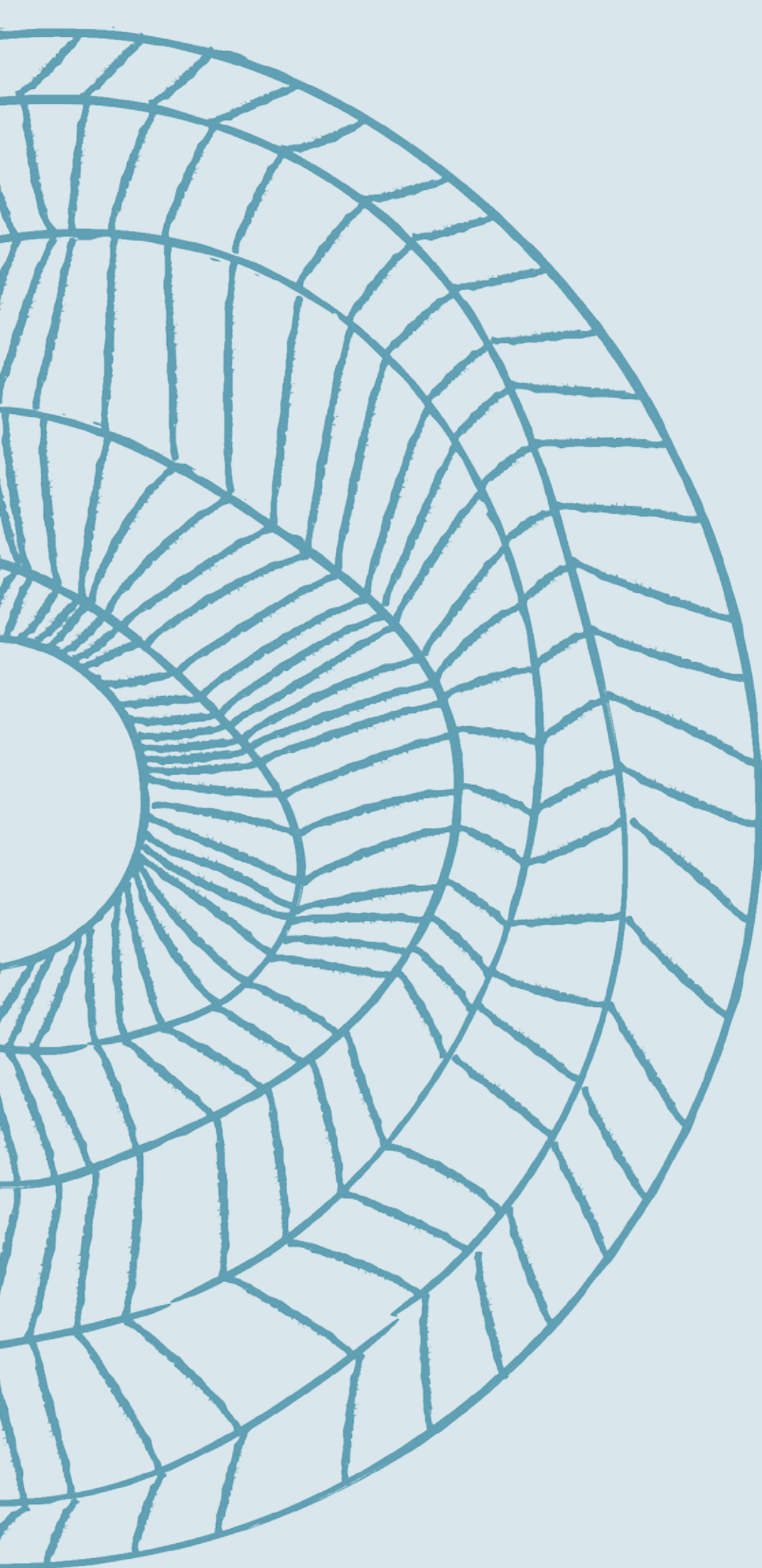
Locate a supportive job broker.



Link her to other Pacific entities to provide her with additional support.

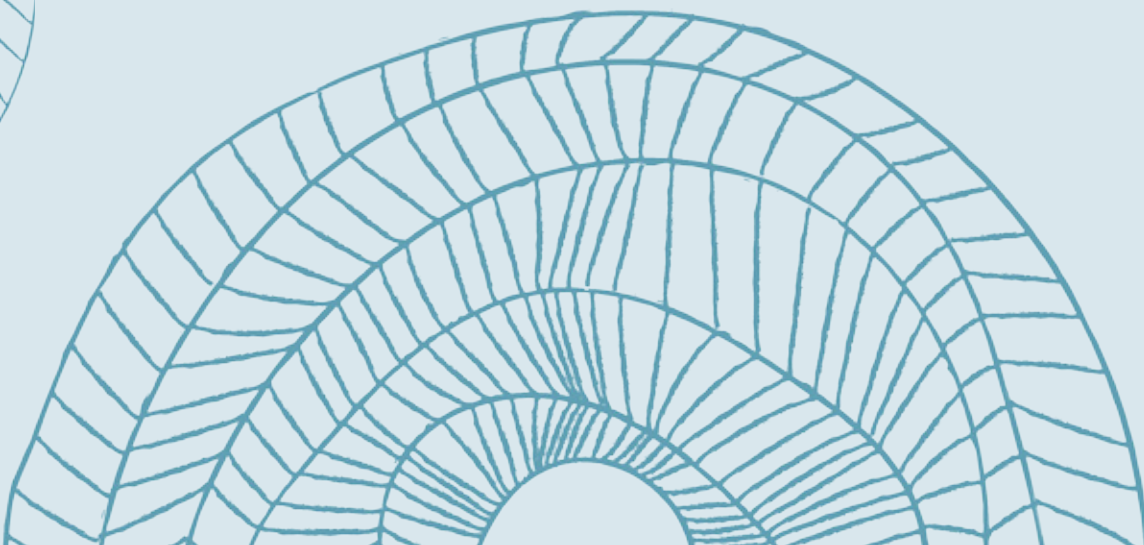
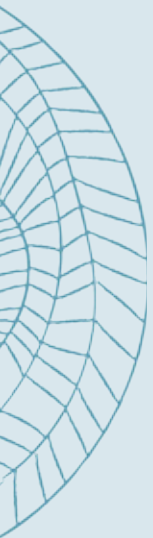


Provide Lea with a Building Financial Capability programme that is grounded in her cultural context, e.g. MoneyMates programme run by her church community, using familiar Samoan concepts.



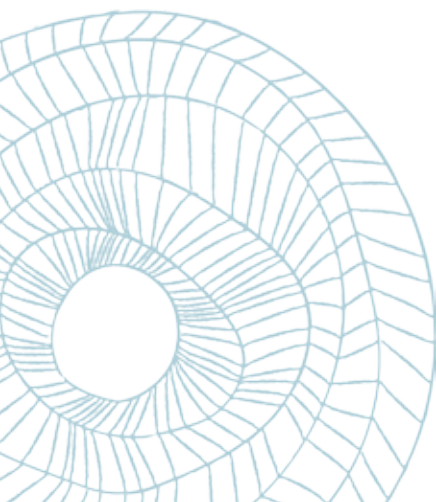
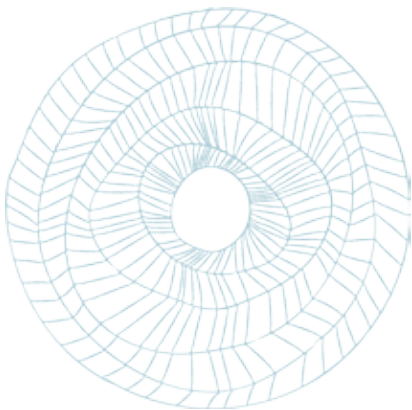
Key insights from the research

Nine key insights were highlighted from the research.
The following section looks at these insights in detail.



Key Insights

The diversity of experience and knowledge accessed through these interviews confirmed what we had found in the literature. The narrative experiences highlighted nine key insights:



1. Some people hide when the going gets tough.
2. A person can't learn or plan when they are in crisis.
3. Living in crisis can become the norm.
4. This group has a high exposure to violence and being taken advantage of.
5. People go to where they feel supported, loved and can get 'low-friction' help fast.
6. Providers of help and support in these communities are often culturally or socially isolated as well.
7. Many people reject mainstream, government services.
8. For many people services are inaccessible.
9. Money management and ad hoc budgeting services are helpful for some people.

Each insight is discussed on the following pages.

1. Some people hide when the going gets tough

There is an assumption that when people are in a crisis they seek help. Our conversations revealed the opposite for some vulnerable people. For example, one social housing provider told us that when their tenants “drop off the radar” they know something is wrong and they go looking for them; their tenants don’t seek help at difficult times.

We heard from service providers that people in this group come and go and they need to “meet people where they’re at”, which implies both meeting at an appropriate physical location (finding them) and/or adapting to their emotional state at the time.

Some people hide out of shame because they experience judgement when they can’t manage their lives. We also heard that for some people they need to hit their personal rock bottom before they seek services. In general, this group is more exposed to societal prejudice anyway. This shame is compounded when they have had negative service experiences, such as getting turned down for hardship grants or being questioned at food banks about where their money is going. For a lot of people in this group, their shame arises from coming from a cultural background where asking for food or begging for money is not accepted. One client claimed, “because of the pride, no one ever talks about things going wrong and I think that’s because of the shame they feel. No one’s ever talked about anything going wrong so everything’s a secret.”

Also, people in this group are afraid of getting caught out – they may be knowingly or accidentally committing benefit fraud or other criminal activities, they may fear their children will be taken away, or they may be simply unaware of how a change in circumstance may impact their benefit payment. They are afraid of reprisal in many forms, signifying how disempowered they are.

2. A person can’t learn or plan when they are in a crisis

This inability to learn or plan when in crisis has big implications for service provision and referrals as they are set up now. In short, it’s no good trying to engage someone when they’re not ready, and pressuring them won’t help. In such interactions, vulnerable people can proclaim, “I don’t want help” or “I don’t need help” which may confuse service providers or others who see their circumstances as dire. People living in crisis are just getting by day-to-day and can’t take on any new learning or even support.

These insights were supported by the literature which described people in crisis as being in ‘low bandwidth’ mode, meaning their focus is solely on getting by – not on learning, developing and planning. The human brain seems incapable of that kind of future-focused thinking (like budgeting and financial planning) when immediate needs are under threat. This happens to everyone, regardless of socioeconomic status, but people experiencing poverty have the added burden of constant stress. This important concept warrants further exploration and a fuller understanding of the literature on brain research. It also presents an opportunity to explore what behavioural economics tells us about how a person reacts to certain life challenges.

3. Living in crisis can become the norm

For vulnerable people living with complex and compounding factors, a state of crisis can become the norm. Therefore, the crisis moments simply aren't recognised and acted upon in the way a service provider might expect. One project team member described this as *"treading water for so long [that] you can be accomplished at it and almost seem relaxed and just shrug off the crisis."* Because of that continued and normalised chaos, it may mean that someone needs to hit a personal rock-bottom before they are ready to face the problems, or it may take some ingenuity, love and patience on the part of providers to get them to the point of engaging.

4. This group has a high exposure to violence and being taken advantage of

We were surprised to hear the extent of victimisation in this group. Stories included:

- a man 'dossing down' in a woman's Housing New Zealand flat (for months) and eating her food while refusing to pay any money
- a man who wouldn't turn on his hot water because it opened the door for streeties to barge in and use his shower so he spent money showering in public pools instead
- people being coerced to assign their benefits to others' bank accounts
- feeling so pressured by sales people that they buy things on credit that they can never afford to repay
- extreme financial control by violent partners, and
- being targets of repeated theft.

There may be different dynamics at play besides exposure, such as not having skills to say 'no', not recognising scams, desiring to help but not knowing how without hurting oneself, cultural pressures or family expectations.



5. People go where they feel supported, loved and can get 'low-friction' help fast

The group of people we spoke with are not at all discerning about service specialisation – they go where they feel supported, loved and where they can get 'low-friction' help, and fast. In general, the people we spoke with go to family and friends first, and don't necessarily see formal supports as a place of help, or think formal supports are totally out of reach for them (language barrier, culture, fear, shame, criminal activities, bad experiences and so on).

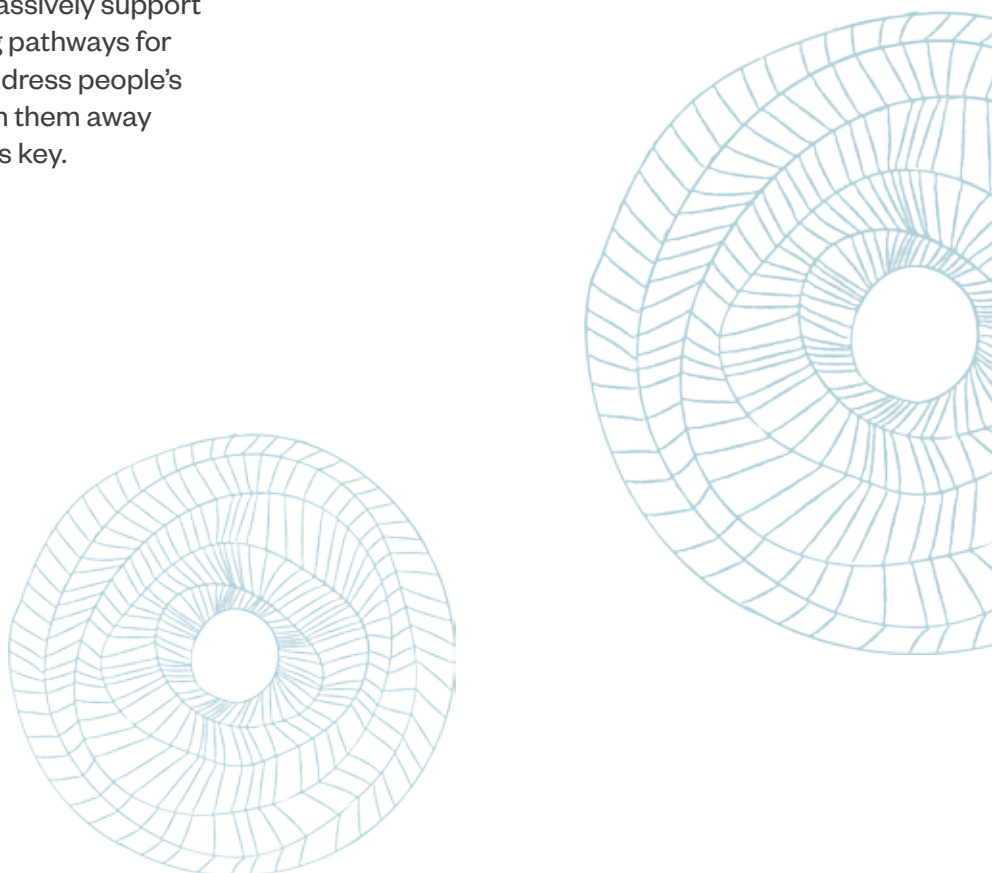
They also go to people who have helped them before or to people who understand their realities, even if financial capability support is totally outside the service provider's area of funded expertise (for example, asking an English language teacher for help with financial advocacy because you already know and trust them). Going somewhere new, such as when referred to a financial capability service, may result in a 'no show' unless the teacher supports them all along the referral journey.

We also heard that many people will seek support from groups that will passively support fraudulent behaviour. Exploring pathways for agencies and the Ministry to address people's immediate needs and transition them away from the fraudulent behaviour is key.

6. Providers of help and support in these communities are often culturally or socially isolated as well

Like the people they are supporting, some of the community helpers and providers are also functioning 'under the BFC radar'. For example, providers are doing what needs to be done in a way that best meets the need of their communities. They aren't worried whether they are funded for an activity because they just help in whatever ways are required.

Further, providers of help in these communities may themselves be vulnerable. For example, they may lack education, have low literacy levels, struggle with English, have gang affiliations and/or criminal convictions and often feel misunderstood, leading to a sense of shame, helplessness and feelings of being isolated themselves. This may have a significant impact if they are unable to meet government requirements for accessing funding, so they choose to continue to assist their communities without funding or training.



7. Many people reject mainstream and/or government services

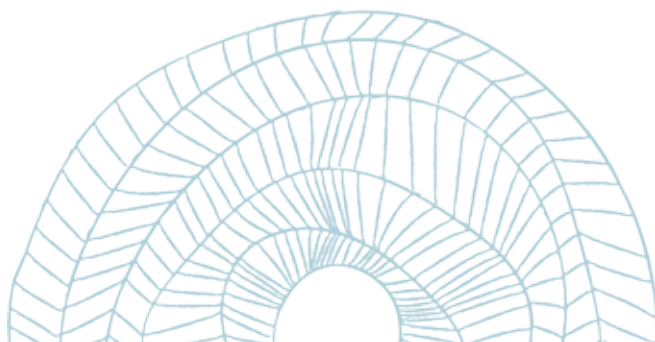
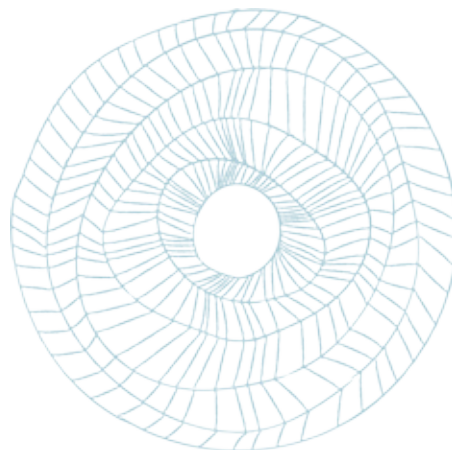
People who are culturally or socially isolated are not necessarily trying to join the mainstream. In fact, we heard that communities would like the ability to help themselves in their own way without outside intervention. We heard time and again that mainstream interventions and engagements won't work in their communities and insider knowledge is required to engage their hard-to-reach locals in a locally matched way. One provider said going to government services was like "talking to a wall" and that engaging with mainstream services was "pointless because you don't see what happens to the kids on our streets". Another group reported that government services presented "too many blockages to get from point A to point B and all the while a whole family is suffering".

We spoke to refugee and migrant communities who reported that the printed materials for BFC didn't resonate with them because there were no Asian faces depicted, only Māori and Pacific ones. They simply discarded the material as they couldn't see themselves in the picture and therefore believed that the services were not for them. Subtleties like these matter for vulnerable groups and any prototypes designed with refugee and migrant communities in mind need to be tested with these communities in order to gauge whether they resonate.

8. For many people services are inaccessible

We heard that people still don't know what services are out there to help them and this can push some people to the edge. One woman said "I'd kill myself", as a solution to running out of money if her family couldn't help. She never mentioned approaching Work and Income for assistance.

The reasons services are 'inaccessible' are varied and include cultural incompatibility, transportation issues, and misunderstanding the connection between the problem (the need) and getting help (a possible solution). Rural or isolated areas are missing services and yet, it was noted, predatory retail trucks do manage to reach these remote areas.



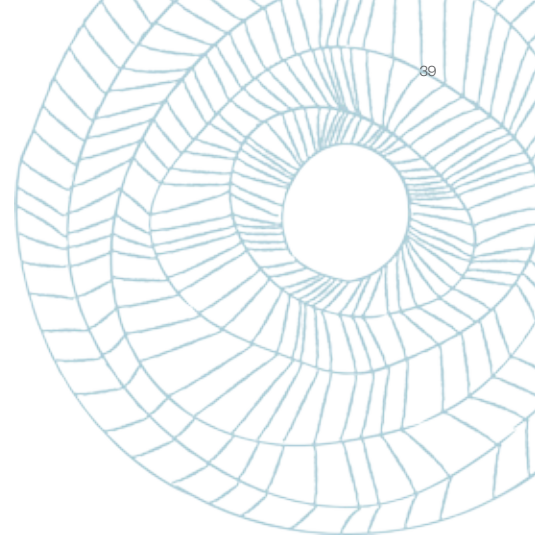
9. Money management and ad hoc budgeting services are helpful for some people

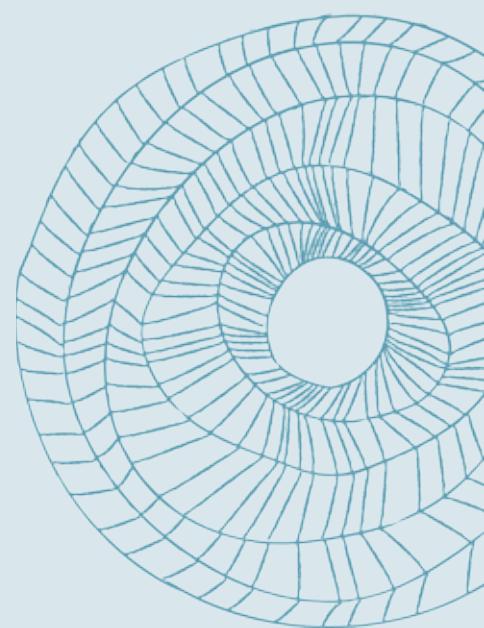
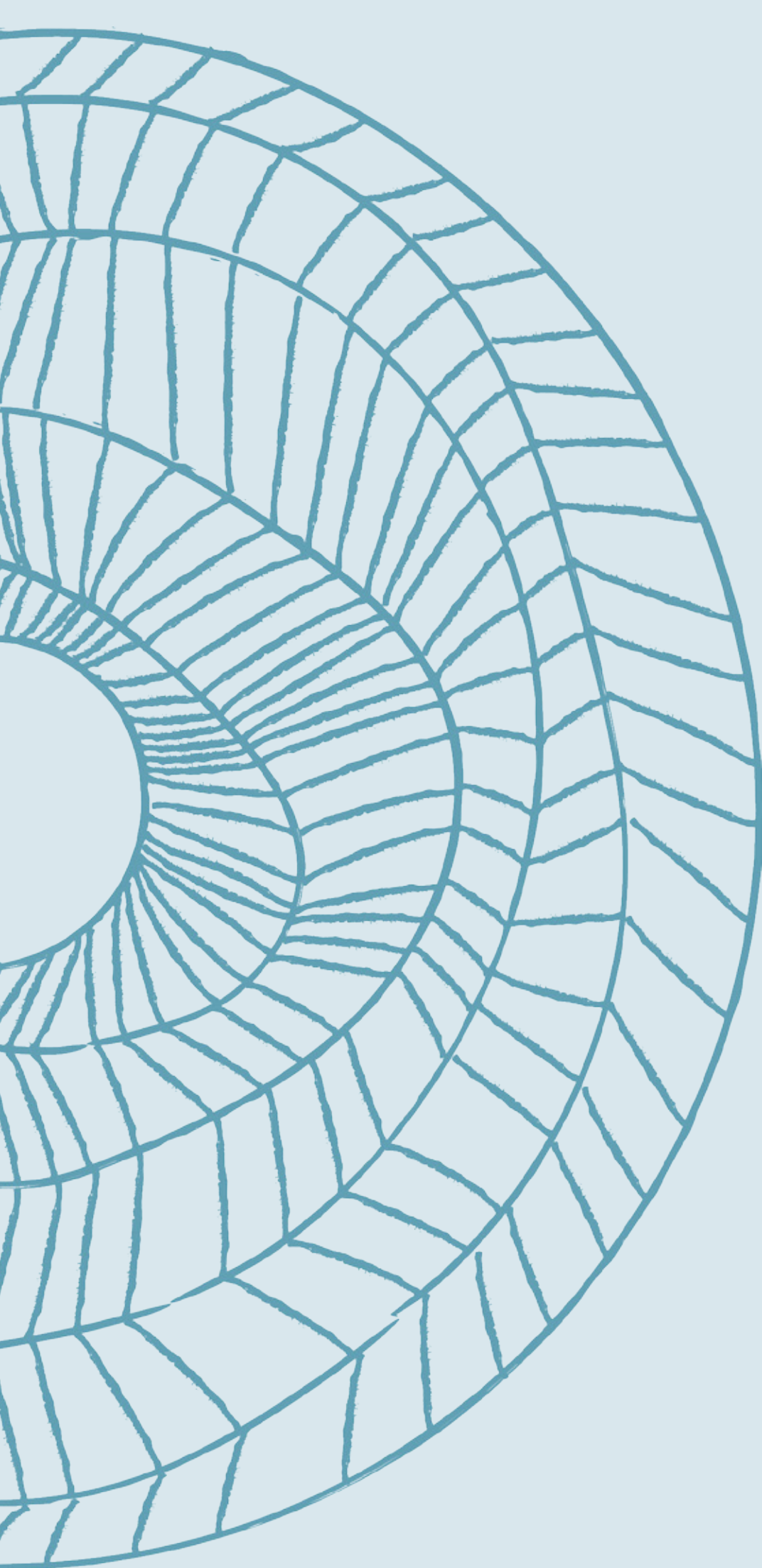
Some providers of services for vulnerable groups have their own systems of money management. This is in response to their clients having low capacity issues, and in particular, unmet mental health needs or serious/permanent disability (e.g. head trauma). Also, as noted above, vulnerable people may be more open to being taken advantage of. These providers seem to function like the vulnerable person's bank or even their ATM – they provide a safe place for their cash and they can issue some as needed.

We heard from clients of money management that handing over their money initially can be a relief, one less thing for them to worry about while they concentrate on getting themselves better. This particularly resonated with clients with alcohol and other drug addictions and providers who work with them.

However, we also heard from other groups that money management presented clients with dependency issues which made it difficult for some to regain financial independence.

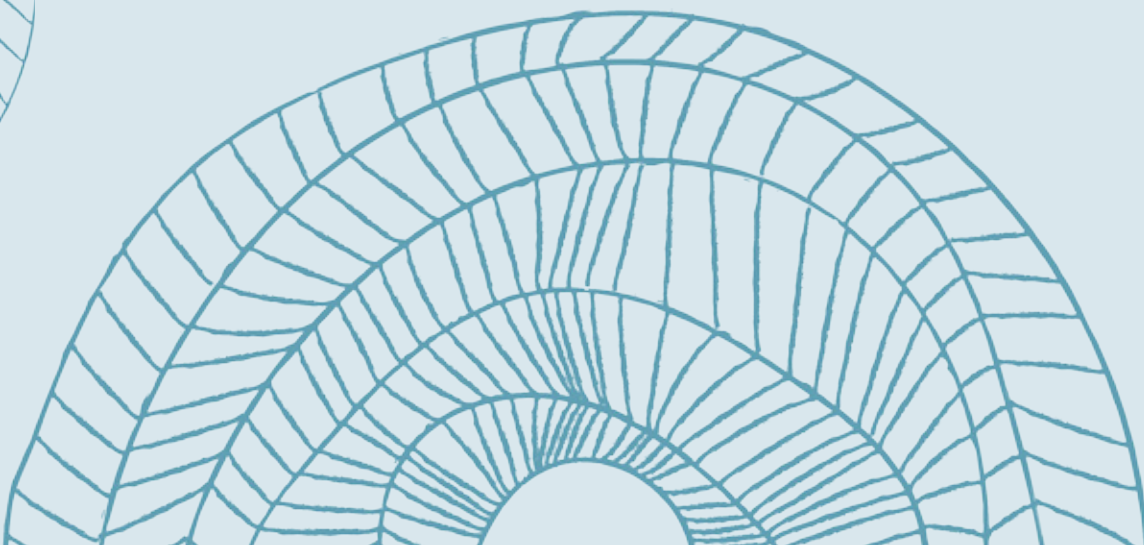
We also learned that some providers help their clients with budgeting, even though they are not trained to do so. This was generally because their clients already trust them, so they do what they can to help.





Responsive Tailoring

Thirteen 'Responsive Tailoring' design principles, grouped into five key themes, were elicited from the research to inform the ongoing service development of future Building Financial Capability services for hard-to-reach communities.



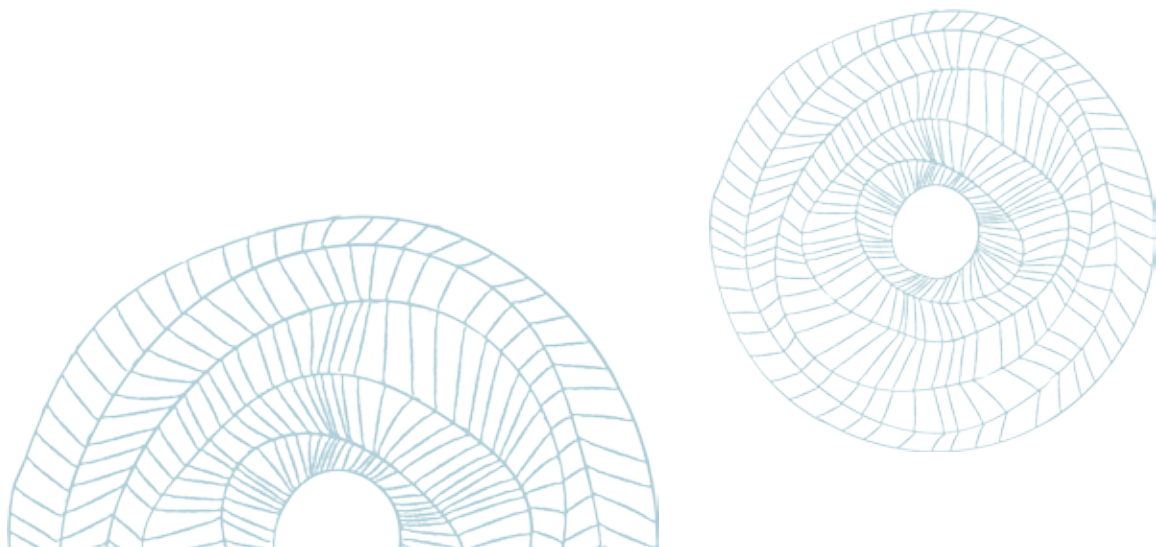
Responsive Tailoring design principles

We began this research by exploring the existing projects that the government (and others) have commissioned to explore the experience of at-risk and vulnerable New Zealanders. Then we reviewed some of the relevant and current literature, and we were particularly influenced by the ideas around poverty, brain functioning and decision making, particularly when faced with extreme life challenges. The narrative experiences we reviewed and participated in first-hand matched up with what we found in the literature review.

At the end of this research, we realised that the solutions required may look different to what government is used to (or comfortable with). The challenge is to find the win-win between the needs of clients and what is possible.

In short, **responsive tailoring of services** is required to meet the hardest-to-reach people in our society. For many people, other service responses are needed, such as wrap around, holistic services, to meet the immediate needs of people before working on building financial capability and resilience. It should also be noted that people in hard-to-reach communities have varying degrees of financial capability, and require access to a spectrum of support ranging from preventative to intensive. Therefore, a 'one size fits all' model will not work with this group. This is the key area that design efforts need to focus on going forward.

Insights from this research will be used to inform the full suite of BFC products. Highlighted below are 13 design principles, organised in five themes, to consider when designing and implementing this responsive tailoring concept for BFC services.



Responsive Tailoring

Design principles

Theme

1

Create **culturally appropriate, tailored** visual and written communication tools.

Cultural and visual communications

2

Support the supporters who may be vulnerable themselves.

3

Train **community trainers** and provide back-up support.

4

Develop and encourage **communities of practice**.

Empower communities

5

Celebrate the smallest attempts at **change**.

6

Work to **protect these people**.

7

Trust the clients' definition of progress and success in tracking their outcomes.

8

Understand and **design for how the brain impacts** on clients' decision-making and resilience.

Client-centred service delivery

9

Catch people when they are ready to engage and face their problems.

10

Intentionally and proactively **target points of transition** to support clients.

11

Meet people where they are both **physically and emotionally**.

Timely processes and systems

12

Allow and **celebrate innovation** as a means of working with hard-to-reach communities.

13

Facilitate procurement of funding for vulnerable and culturally or socially isolated providers.

Flexible funding and contracting models to allow for innovation

Cultural and visual communications

1. Create culturally appropriate, visual communication tools for both trainer and recipient (e.g. for Māori by Māori framework)

The issue being addressed is that language matching does not currently go far enough. Cleverly designed visual communication tools are required to engage and de-stigmatise the process for both the provider and the client in these extreme communities where language, cultural differences and education are barriers to participation. This would include supporting design relevant to Tikanga Māori, Pacific and other cultural groups such as refugee and migrant communities.

Empower communities

2. Support the supporters

We learned that some of the people working with the hardest-to-reach clients are also quite vulnerable themselves. They need to be supported in the difficult work that they do, which could include specific training programmes aimed at the 'supporters'.

3. Train the community trainers with well-matched people, then leave them to it, but 'have their back'

Communities that are culturally or socially isolated need people to support them by delivering BFC train-the-trainer models and approaches. The trainer must be well-matched and empathetic, but must also understand that their role is to work flexibly to meet the trainee's needs and then leave them to help in the way that they know best. The trainer also needs to provide back-up support when requested.

4. Develop and encourage communities of practice

Communities and supporters of culturally or socially isolated communities tend to learn better through peer or group learning rather than being 'taught' by facilitators or trainers. Our research found that learning through their own experiences, or the experiences of others within the group, resonated more with these communities.

Client-centred service delivery

5. Celebrate very small, incremental attempts at change

Celebrate the small wins and generate hope. This is a group with the lowest self-esteem in society and they need (at a minimum) strengths-based approaches that support all attempts at steps forward. Small steps may help leverage change over time.

6. Work to protect these people

Due to the high levels of violence, and hard-to-reach people and communities being taken advantage of, there should be astute awareness by providers and agencies of the potential risks in these communities. The people themselves may not be aware of what is 'normal' to expect and recognise when they are indeed being taken advantage of and/or a victim of violence.

7. Trust the clients' definition of progress and success in tracking their outcomes

Progress with the most vulnerable may look different from progress with other client types. The progress may simply be showing up, being able to get out of bed, and deciding to leave a violent environment. The client voice and their own sense of progress should be the key indicator of success as opposed to the usual types of measurements.

8. Understand how the brain impacts on clients' decision-making and resilience

The emerging research on the brain should be well-explored and articulated in service design⁸. At a minimum, providers and government agencies should embrace the notion that consistently good decision-making and long-term planning is impossible when someone is in crisis mode. Further, people who have been living in poverty for a long time may not have developed good decision-making skills, given they have been subjected to sustained stress.

⁸ Exploring this in-depth was outside the scope of this project.

Timely systems and processes

9. Catch people when they are ready

People who are vulnerable engage when they are ready and able to face their problems. We also know that if people are in crisis mode, they are not in a learning mode. Forcing a service referral is futile and results in 'no shows' and hiding from the system. However, all efforts should be made to implement good outreach processes that are focussed on strong relationships. As we heard during the research, trust and good relationships can go a long way in drawing people in and re-engaging them in services.

10. Intentionally and proactively target points of transition

For the most vulnerable groups, times of transition may derail progress. This group experiences many transitions such as gaining and losing employment, housing transitions, prison release, highs and lows with mental health, family violence and so on. Anticipating these changes and targeting a time where clients are more likely to be accepting of support is critical for financial resilience.

11. Meet people where they're at

Meeting people where they are at means both physically and emotionally. We do not expect the most vulnerable people to show up to an office for an appointment. Providers may well need to go and find them, which may be via other community organisations that have day-to-day contact. It will take multiple attempts at trust-building before people engage. It is important to carefully diagnose the problem and assess their needs before assuming they are in the right space to consider budgeting and money matters.

Flexible funding and contracting models

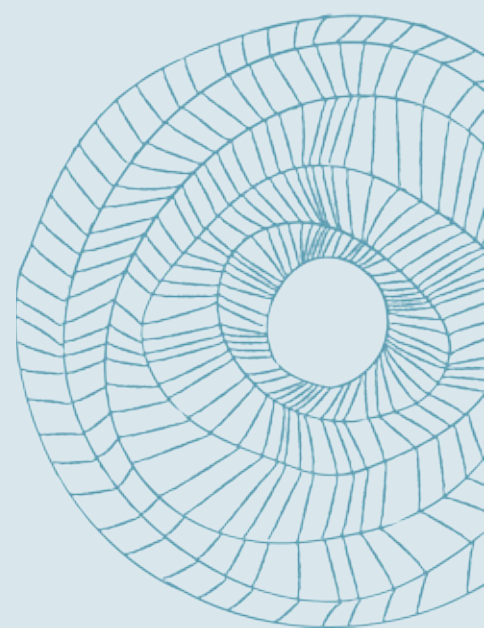
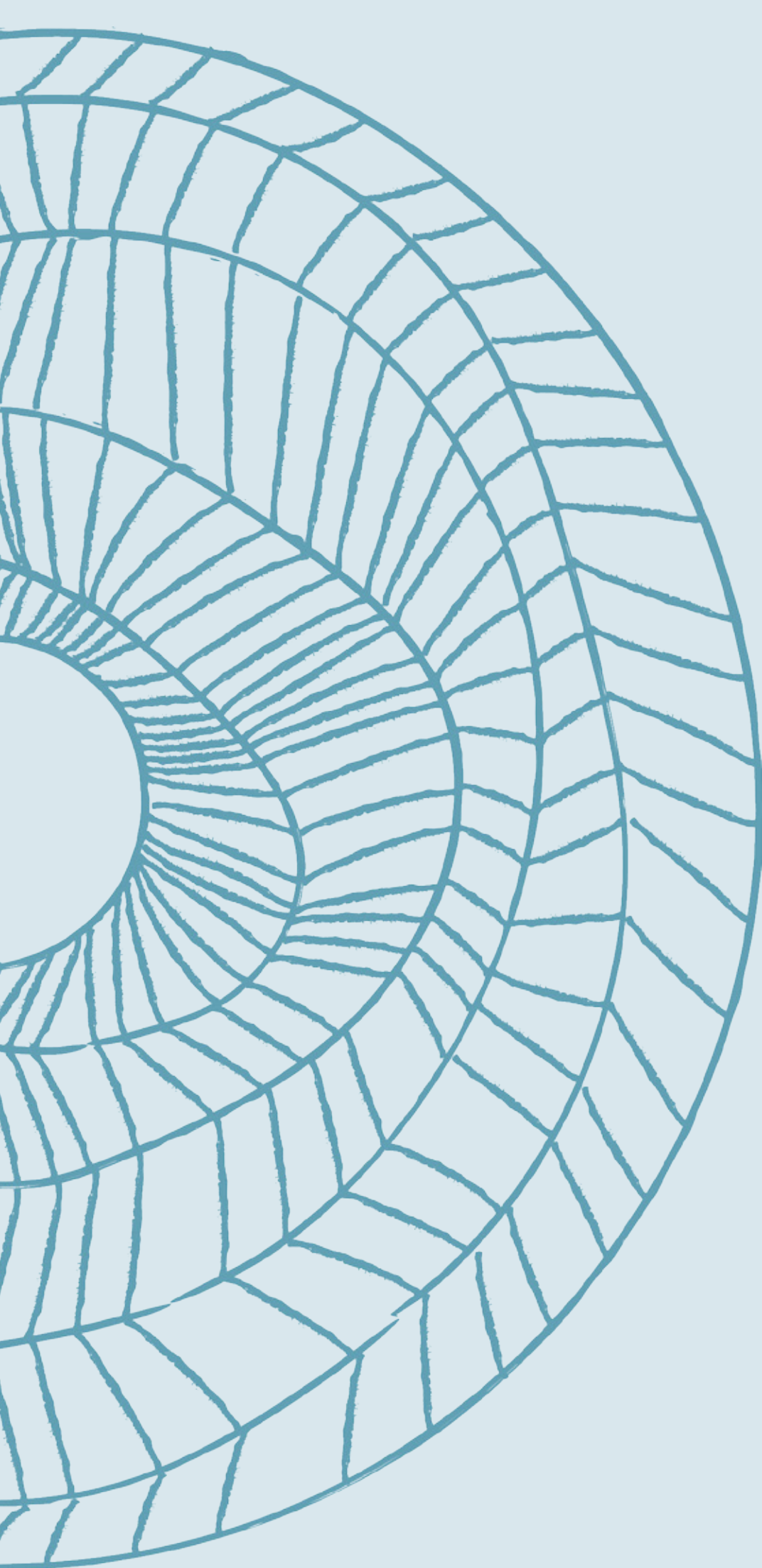
12. Allow and celebrate innovation as a means of working with hard-to-reach communities

We heard that in order to meet the needs of hard-to-reach communities, government needs to 'loosen' the strings to allow communities to be innovative and adaptive. They want to develop programmes that meet the needs of their people and adapt these as required. This requires some degree of trust that communities know their people best. Allowing communities to develop programmes that best suit their particular needs will result in more effective outcomes.

13. Facilitate the procurement of funding for vulnerable and culturally or socially isolated providers

This means accepting that, in the same way as there is no 'one size fits all' programme, there is no 'one size fits all' contracting model. We heard from providers that the current MSD/Oranga Tamariki contracting and funding model makes it difficult for them to get the funding needed to support the level of intensive support they deliver to their communities. We heard that the model was competitive rather than collaborative, and did not allow for innovation or new and different ways of delivering programmes.

Communities that are culturally or socially isolated have vulnerable providers as well as vulnerable people and there are many barriers to obtaining and maintaining funding. Government models for commissioning services may need to be explored further or those 'isolated' providers may need intensive help to attain funding, or may need to be hosted by another established NGO, running a programme and perhaps offering business incubator-style mentoring.

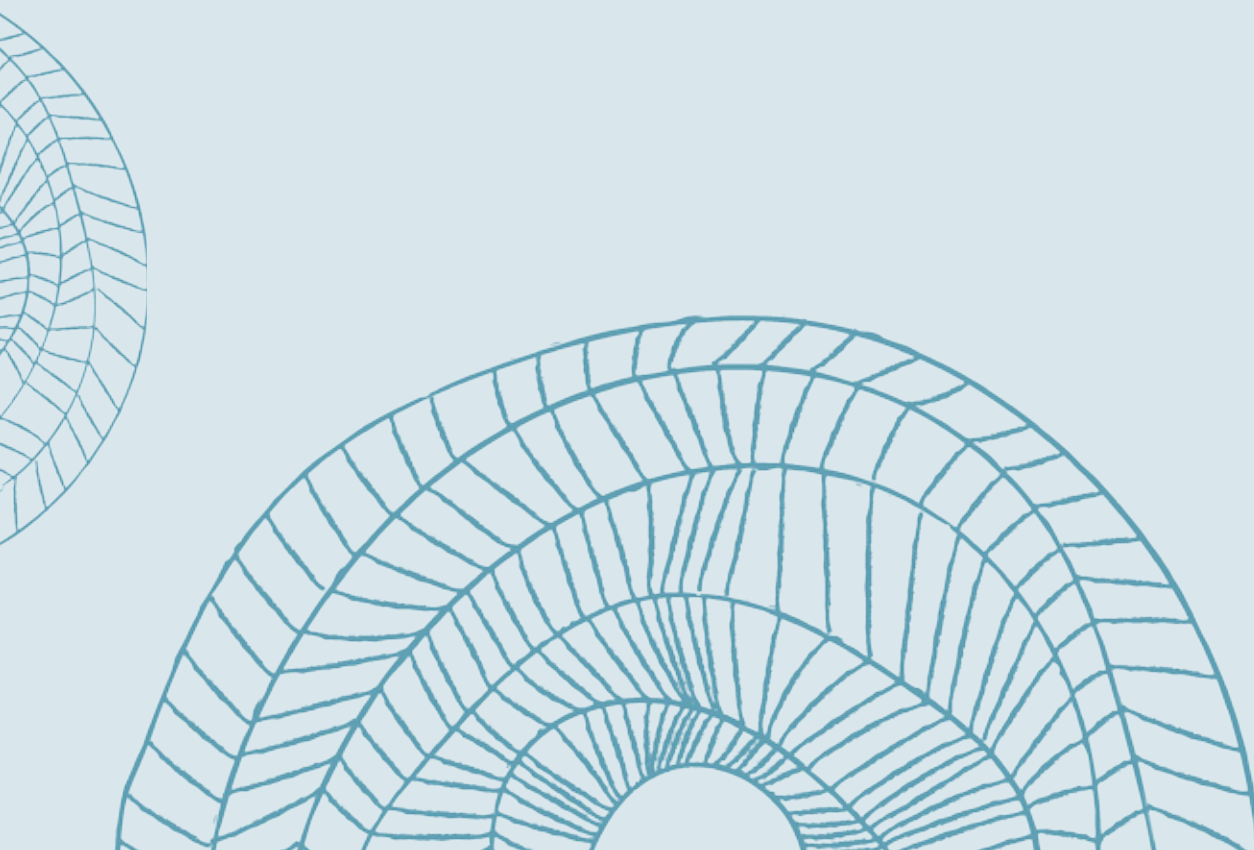


Where to next

During the course of this research, we have become aware of some gaps in our knowledge. Further research could be useful in the following areas to further improve the design and development of financial capability services for hard-to-reach communities:

- How the brain is impacted by the experience of poverty
- The special needs of the disability and mental health sectors
- The pros and cons of total money management approaches and how they are functioning in vulnerable communities
- The huge dynamic around getting “power” back in one’s life (and helping others do the same)
- Linkages with other initiatives or agencies who also work with hard-to-reach communities (e.g. Work and Income’s intensive services).

The BFC work programme is still in progress with an anticipated date for full roll-out of July 2019. We will be using these insights to inform the co-design of the remaining BFC services and products to ensure that they reach the hardest-to-reach communities in our society.



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Appendices

Appendix One: Ethical approach to working with vulnerable people

Our inquiry was developed around an ethical approach to vulnerable people. We wanted to ensure that the necessary voices were heard, but we worked under the principle of first and most importantly, 'do no harm'. We were conscious that a lot of research has already been done with vulnerable people, so we:

- Scanned existing insight projects that have already been done with vulnerable people
- Reviewed some relevant literature
- Targeted our face-to-face engagements to only those people who we really needed to hear from
- Sought recommendations of who to work with, and how to work appropriately with Māori and Pacific research participants from MSD's E Tū Whānau and Pacific Directors
- Adhered to Thinkplace's ethical guidelines, specifically that interviews took place in groups, with supporters, or in settings where people felt comfortable
- Contacted support people to ensure participants had the necessary information to get help if someone disclosed something we were concerned about.

Appendix Two: Fieldwork approach

Method

Selection

Participants were selected based on their experience and knowledge with a variety of characteristics as mentioned above. We then selected representatives from various supporters or services that deliver to these types of people.

The interviews were carried out in pairs to ensure the safety of the interviewers. We met participants where they were comfortable and able to be supported by their community.

Resources for participants

Prior to the interviews, each participant received an information sheet which provided them with an introduction to the research and the names and contact details of the core design team. Before starting the interviews, we asked if they had any questions relating to the information sheet.

Consent was requested and obtained prior to the commencement of interviews. Each individual was provided with a \$50 voucher to compensate for their time spent on the research process.

A conversation guide was developed and used to aid the interviews, but the participants were encouraged to tell stories in a way that made sense to them.

Translation was also provided to some participants who required it (in total, about three of the participants required translation by one of the core design team members). The providers had extensive experience working with vulnerable groups and they told us rich and detailed stories about their work within these communities. The individuals also bravely told us their stories, and we were surprised by the extent of difficulty that they face.

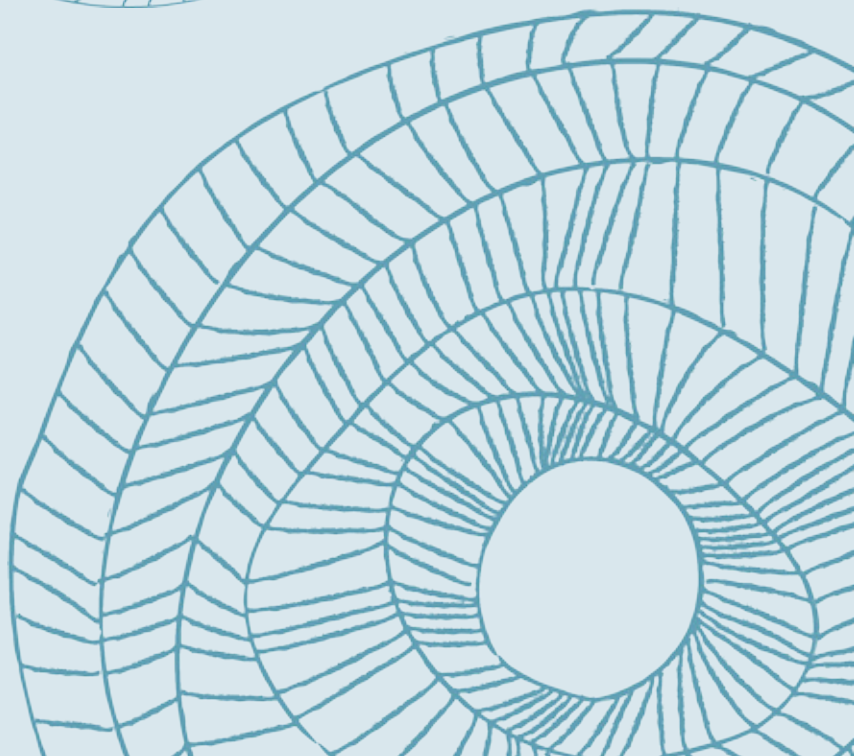
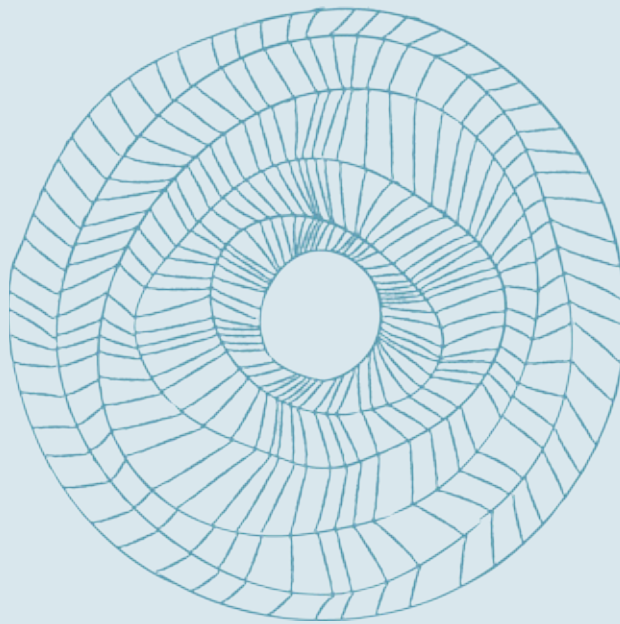
Data

Interviews were audio-recorded with permission from the participants. These were then transcribed and have been drawn on for the purpose of this document. Notes were also taken manually depending on the vulnerability of the participants if they did not agree to the interview being recorded.

Glossary of terms

Benefit	Financial assistance from the government.
Debt	Debt is what you owe, including mortgages, personal loans, credit card balances, hire purchase agreements and loans from family.
Co-design	Co-design is based on the idea that those closest to the problem have the expertise, insight and motivation to solve it. This process involves enabling input and support from people experiencing hardship, service users and providers in ensuring services are successful.
‘Culturally or socially isolated’	These people have a completely different cultural or social lens. They may not understand finances or social support systems in a way that allows them to manage well in New Zealand.
E Tū Whānau	E Tū Whānau is a movement for positive change developed by Māori for Māori. It’s about taking responsibility and action in your community and supporting whānau to thrive.
Financial capability	‘The ability to make informed judgements and effective decisions regarding the use and management of money.’ (Commission for Financial Capability, 2016)
Financial hardship	‘Having insufficient resources to meet basic needs, and thus being excluded from a minimum acceptable way of life in one’s own society.’ (Derived from Perry, MSD)
Financial mentor	An adviser who uses budgeting advice tools, a Financial Plan of Action, and makes connections with a range of social services to ensure people and their families and whānau get the right support and can improve their financial positions.
Financial Plan of Action	A plan to address money issues and help you achieve your goals. The plan looks at aspects of your money, including where it comes from, spending, saving, borrowing and income generation. It helps you develop your financial skills by helping you develop your strengths.
Financial resilience	The ability to access and draw on inherent capabilities and appropriate and accessible external resources and support in times of adversity. (NAB / Centre for Social Impact, 2016)
‘Hard to reach’	For the purpose of this research, ‘hard-to-reach’ people or communities are described as ‘multiple disadvantage’ and ‘culturally or socially isolated’.
MoneyMates	Peer-led support group programmes to encourage people to learn from others as they talk about money and finances in a group situation.

Multiple disadvantage	<p>The Social Policy Evaluation and Research Unit (Superu) defines multiple disadvantage as “families disadvantaged in three or more of eight life domains: education, health, income, housing, material wellbeing, employment, safety, and social connectedness”</p> <p>These cohorts of people are in immediate need of holistic support to address multiple crises in their lives. They often have low level financial literacy and are likely to be repetitively referred from Work and Income as a result of frequent hardship grant requests. They are on-going users of various support services and require both their financial needs and other multiple disadvantage areas addressed simultaneously but it may be possible that some of their other needs are addressed at a much slower pace and via different approaches.</p>
Need	<p>Something that you require, must do, or must have. For example, you need to pay your rent, because you must have somewhere to live.</p>
Responsive tailoring	<p>A set of concepts or design principles that have been co-designed with the financial capability sector and are used to organise or arrange the structural elements of a programme, service etc.</p>
Total money management	<p>A standardised service platform and suite of programmes that manage a client’s money and transactions.</p>





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