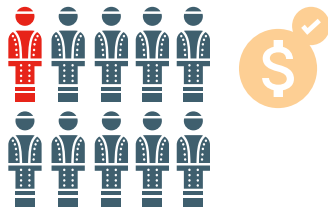
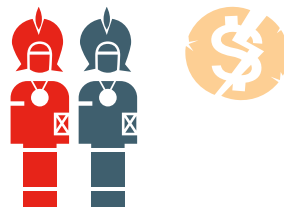


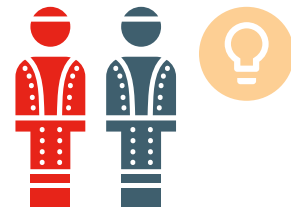
What is the financial resilience of Indigenous Australians?



Only one in ten people were 'financially secure', or have a lot of resources to help handle money troubles



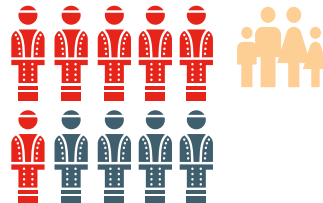
Nearly half of the people in our survey had scores that point to severe or high levels of money stress



Half of the people we spoke to said that they found it hard, or very hard to meet living expenses like paying for rent, food or electricity



Nearly two in five people said they could get \$2,000 in one week if they had an emergency, but the same number said they wouldn't be able to get that money in a week – some people described this as 'big money'



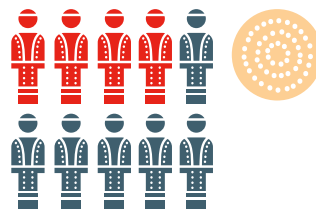
Nearly 6 in 10 people said they thought they would (or might) be able to borrow money from their family



One in two people said they would think about getting money help from a free service in the future



Three quarters of people said they helped their family with money – like giving cash or buying groceries



Fewer than 4 in 10 people thought they would be able to borrow money from their community



46%

46% of people said their family helped them with money, either sometimes or a lot



41% of people had borrowed credit from a bank or Centrelink in the last 12 months:

- 27% said they did not need or did not want to use credit
- 11% of people said they had needed credit but couldn't get it in the last 12 months
- 23% had used credit from a high-cost lender like a payday loan or pawn broker



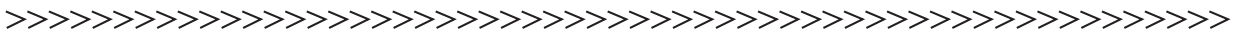
75% of people had some difficulty getting help from financial services in the last 12 months. Reasons for this include:

- Don't know enough about services
- Shame/too proud
- Too expensive
- Wait too long
- Can't trust them



83% of people did something to look after their money in the last 12 months, such as:

- Check bank statements for wrong transactions
- Stick to a budget
- Put money away



What we found

We found that half of the people we spoke to for this research were experiencing severe financial stress, and it's happening all across Australia: in cities, regional, and remote areas. Aboriginal and Torres Strait Islander people were using high-cost credit like loans from pawn brokers or payday loans more often than other people in Australia. This form of credit can often add up to around four times the cost of the original loan and is designed to impact those who can least afford it.

When people told us what being 'rich' or 'wealthy' meant, being rich was talked about as 'having a full fridge' or not having to worry about money. Having a bit of money put away and being able to look after family was talked about as a money goal that people had so that they wouldn't have to worry about money as much.

There are people all across Australia who experience financial stress – but our study tells us that Aboriginal and Torres Strait Islander people are more likely to have severe or high levels of financial stress (49%) than the general Australian population (11%), and they feel it in more ways.

Participants told us about how they share money with their family. More than three-quarters of people said they had given money to their family in the last year. Most did not mind being asked for money, but some said it gave them money trouble, or that they tried to avoid people humbugging them.

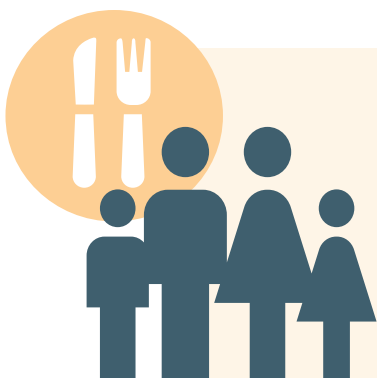
Lots of people said they would have trouble getting \$2,000 in a week if there was an emergency, and half said that they did not have any money put away. This can cause a lot of worry if an emergency like medical bills or sorry business comes up.

Most people had a bank account, or could use someone else's, but the participants in the survey were ten times more likely than people in a general Australian survey to have low or very low levels of financial products and services. This means that there were many people we talked to who did not use or have access to credit or insurance.

More Aboriginal and Torres Strait Islander people also said that they had trouble getting help from financial services (like a bank or financial counsellor). There were problems with having to wait a long time for appointments, and some participants also said they did not know what products or services were available. There are things that banks and other organisations could do: use more interpreters, try to have banking staff visit remote communities regularly, talk to communities to find out what their problems are, and provide more information about identification documents, and provide 'easy to understand' versions of important customer information documents.

Nearly two of every three people in the study said they were confident using financial products and were confident making money decisions. Eight in ten people said they had done some 'positive' money behaviour in the last year – like checking their bank statements for incorrect transactions, using a budget, or paying off extra money on their credit card or home loan. One in three Indigenous participants said they had put money away in savings in the last year, compared to nearly two in three people from the general survey. This is understandably impossible to do if the person does not have enough money to put some away once they have paid all of their bills.

One in three people said they had used community or government support in the last year – they might have used a Centrelink advance payment or been given a food or energy voucher. Nearly one in five people said that they had needed help in the last year but they couldn't get it.



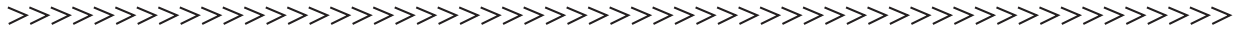
'being rich'

'having a full fridge' or not having to worry about money. Having a bit of money put away and being able to look after family was talked about as a money goal that people had so that they wouldn't have to worry about money as much.

'share money'

More than three-quarters of people said they had given money to their family in the last year. Most did not mind being asked for money, but some said it gave them money trouble, or that they tried to avoid people humbugging them.





Terms we learned about



MONEY TROUBLE

Financial stress or difficulty – worrying about money; not being able to pay bills; giving up or missing out on things, like food or heating/cooling your home, because of worries about money.



SORRY BUSINESS

A period of cultural practices after the death of a community member. Funerals are significant cultural and memorial moments. They can also cost tens of thousands of dollars, placing a great financial burden on families and communities. Expenses can include a coffin, travel, food and accommodation for large groups. Indigenous families sometimes travel from around the country to attend ceremonies that can last several weeks. In remote communities, the body of the deceased may need to be flown in a charter plane to a morgue and then back for burial.



HUMBUGGING

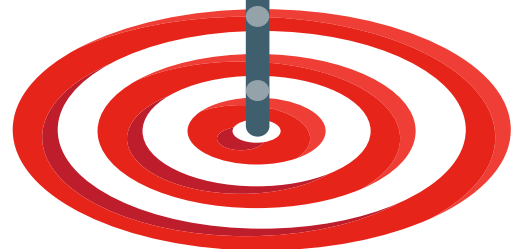
Broadly understood as on-demand sharing, asking or pressuring a family member or other connection for money or other assistance in a way that can be bothersome.



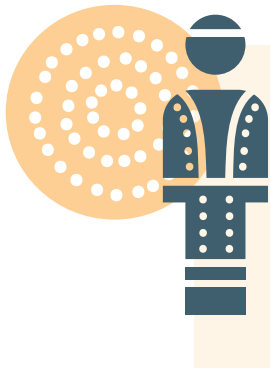
What does this mean?

This research helps us understand what kinds of difficulties Aboriginal and Torres Strait Islander people might have when managing money. There are people that are doing very well, and do not have any problems with banks or getting money in an emergency, and they are passing these lessons on to their family. But there are also people who need help from banks or other services, and either do not know what to ask for, or have not been able to get the right help when they ask for it.

We want our research to be able to help banks and financial services understand how Aboriginal and Torres Strait Islander people think about money, and to come up with solutions to give better service, for example, if people live in regional or remote communities, or do not have good reading or computer skills. By asking banks and financial services to think about these problems, we hope that more people across Australia are able to look after their money and have fewer money troubles.



Money stories



Angela* ordered a debit card from a bank two years ago and has been waiting for it since. Angela lives in a remote community, and there is not a local branch that she can go to for help.



John* had made a loan application with a bank for a car and boat so he can start a small business. When John called the bank to ask about the loan, he was told he needed to go to his closest bank – he would need to travel by plane to get there. John asked for more help and was asked identification questions that were difficult to understand in English. John spoke to a translator, but they spoke a different Aboriginal language. John could not answer the identification questions and the operator finished the call.

These simple interactions with a bank are challenging in remote towns, and can have an effect on how a person can manage their money.

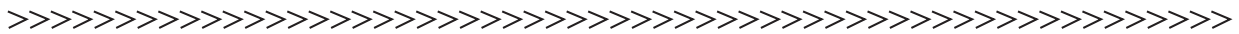


Rita* works at a big organisation, and is doing work that will help more Indigenous-owned businesses get started. Rita says that her parents had to learn about money, and her family didn't have much of it when she was growing up. Rita has found ways to teach herself about budgeting and saving, and has goals that she is putting money away for.

Rita does not feel worried about money now, and thinks that she can find ways to avoid money trouble, but also find ways of staying connected to her community and culture.



**All names have been changed*



What would we recommend?

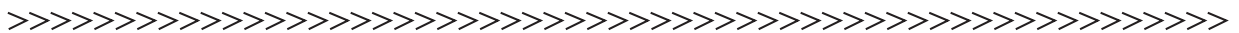
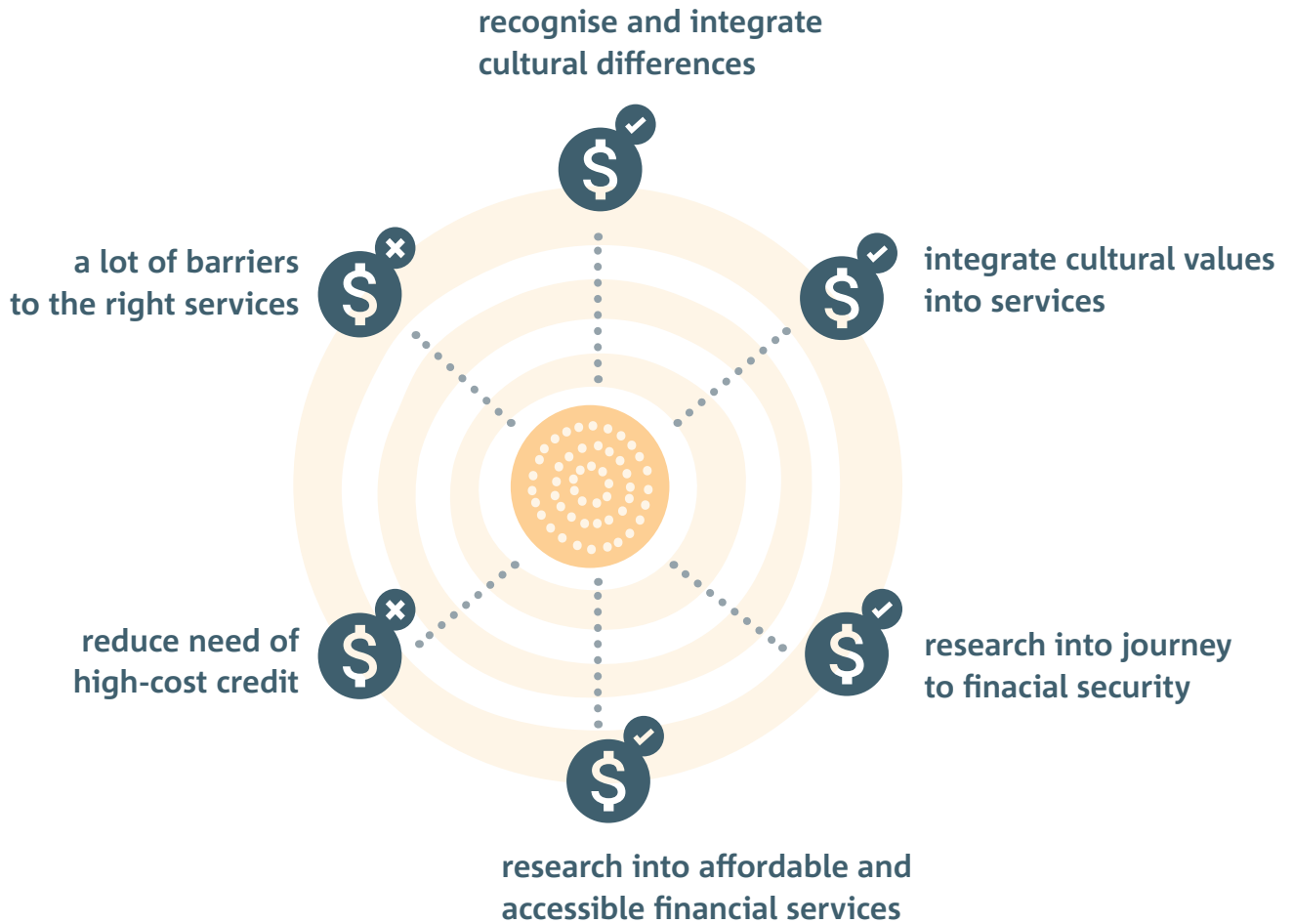
Financial services and support services can do more to recognise and integrate cultural differences in how some Aboriginal and Torres Strait Islander people think about money, and integrate these values into services.

Financial products and services should be appropriate, affordable and accessible to Aboriginal and Torres Strait Islander people – to help with planning how to use and save money, and reduce the need for using high-cost forms of credit in financial emergencies.

There are a lot of barriers to accessing the right financial products and services that can be addressed by services – such as the cost, financial support workers working with people living in regional and remote areas, and prioritising ‘easy to understand’ ways of providing information.

More research is needed to learn more about Aboriginal and Torres Strait Islander people who are experiencing financial security, and how they got there.

More research is also needed to continue building our understanding about the most appropriate, affordable and accessible types of financial service and support are for Aboriginal and Torres Strait Islander people.



The Indigenous Financial Resilience 2018 research has been conducted and released in partnership between the Centre for Social Impact, First Nations Foundation, and NAB

