Reference No. 36

Summarising: Daly & Preece, 2007, An investigation of financial literacy in six Indigenous communities
Responsibility for the preparation of this research summary rests with the authors of the MCEETYA report *Education, Training and Indigenous Futures: CAEPR Policy Research 1990–2007* and not the original author(s) of the summarised material.

Title of Research:
An investigation of financial literacy in six Indigenous communities

Research Publication:
CAEPR Seminar, 4 April 2007

Name of Researcher(s):
A.E. Daly and C. Preece

Time period:
2007

Geographic location:
Galiwin’Ku (NT), Geraldton (WA), Katherine (NT), Kununurra (WA), Nguiu (NT) and Tennant Creek (NT).

Methodology:
This progress report on developing an evaluation framework for the MoneyBusiness program used two major sources of information:

• 2001 Population Census
• Interviews in the six communities undertaken between September and December 2006. MoneyBusiness workers, service providers, members of community organisations, financial institutions and MoneyBusiness clients were interviewed.

Aims:
To provide benchmark data for the future evaluation of the money management program MoneyBusiness, sponsored by the Department of Families, Community Services and Indigenous Affairs (FaCSIA) and ANZ Bank.

Selected findings and insights:
This paper provides a detailed account of Indigenous populations in the six communities, which cover both regional centres (Katherine and Geraldton) and very remote localities (Galiwin’Ku and Nguiu):

• The 2001 Census showed that the Indigenous population in these six locations was relatively young with low levels of education and low levels of employment and income. Those in employment tended to be in low skilled occupations.
  • In all communities, at least 60% of the working age population had not achieved beyond Year 10 and some of these had achieved less than Year 10. The largest proportion of those not achieving beyond Year 10 was 85% and this occurred at Galiwin’Ku. Only in Geraldton had 30% achieved Year 11 or 12 schooling; and
  • 85% of the Galiwin’Ku working age population was not in the labour force and for Tennant Creek the figure was close to 70%.
Computer and internet usage was extremely low across all communities—generally more than 85% did not use a computer on the internet at home. Inadequate internet and phone access limited people's ability to use alternative forms of banking when there was not ready access to financial institutions such as in Galiwin'Ku and Nguiu, which required a high cost trip to Darwin.

While some families had developed good money management skills, many had not due to factors such as:

- Low levels of basic literacy and numeracy skills making recognition and use of money difficult;
- English as a Second language making it difficult to communicate with financial institutions;
- General lack of understanding of how banks operate, especially in regard to credit card usage, credit ratings and general account keeping, and the concept of 'consumer rights';
- Lack of job opportunities, restricting interaction with the business world; and
- Overall lack of confidence in dealing with mainstream institutions such as schools and banks.

The progress report also identified several quite different influences upon how Indigenous people manage money. These centred around family obligations and demand sharing of financial resources, which can be both a benefit and a cost to individuals.

**Educational implications:**

Models for the effective delivery of adult education in areas such as financial literacy will be difficult to develop due to the low literacy and numeracy skills of many among the adult population and overall lack of confidence and experience in dealing with the financial sector. This will therefore require close collaboration between the financial services sector and training providers in defining exactly what constitutes financial literacy as required for contemporary Indigenous people. For example, specific modules may need to be developed to address the multiple purposes to which financial literacy is required, ranging from everyday transactions, through larger purchasing requirements to the establishment of small business enterprises as opportunities occur.

One option would be an expansion of the role of existing educational providers within an overall notion of the development of a 'learning community' as a critical aspect of capacity building within the local Indigenous community. The extent to which extension of internet services, even with associated 'on-line' training, would be useful is likely to be quite limited due to lack of IT experience among adults. Again some form of IT training and assistance would be required within a community learning strategy. Alternatively a mobile service could be developed and may well be necessary to support training being delivered through community centres.

From a different perspective, this study also points to the need for the financial services sector to come to a better cross-cultural understanding of the use of money within an Indigenous community— for example in an Indigenous person's tendency to share money across kin.
Relevance:

Domain 5: Pathways to training, employment and higher education

Adult return to education and/or training

Related papers:
