

PACIFIC FAMILIES AND PROBLEM DEBT



The Families Commission was established under the Families Commission Act 2003 and commenced operations on 1 July 2004. Under the Crown Entities Act 2004, the Commission is designated as an autonomous Crown entity.

Our main role is to act as an advocate for the interests of families generally (rather than individual families).

Our specific functions under the Families Commission Act 2003 are to:

- encourage and facilitate informed debate about families
- increase public awareness and promote better understanding of matters affecting families
- encourage and facilitate the development and provision of government policies that promote and serve the interests of families
- consider any matter relating to the interests of families referred to us by any Minister of the Crown
- stimulate and promote research into families; for example, by funding and undertaking research
- consult with, or refer matters to, other official bodies or statutory agencies.

Our specific functions under the Whānau Strategic Framework (2009–2012, p. 5) are to develop an operating environment which is regarded by whānau, Māori, iwi and key stakeholders as representative of an organisation that:

- listens to the voice of whānau
- has regard to the needs, values and beliefs of Māori as tangata whenua, as required under Section 11(a) of the Families Commission Act 2003
- promotes and maintains whānau strength and resiliency
- promotes whānau ora through the activities of advocacy, engagement, policy development and research.

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PACIFIC FAMILIES AND PROBLEM DEBT

A FAMILIES COMMISSION RESEARCH REPORT

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This research comprises three reports.

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Pacific Families and Problem Debt – Summary

This report presents a summary of the findings from Reports Two and Three and other related Families Commission studies.

Report Two (pp. 19–48)

Pacific Families and Problem Debt – Environmental Scan

The Families Commission prepared an environmental scan report which found that Pacific people are more vulnerable to problem debt, but that there was little known about how Pacific families manage their finances.

Report Three (pp. 49–130)

Pacific Families and Problem Debt – Research Report

In 2011 the Families Commission initiated a study to address the knowledge gaps identified in the environmental scan report. This further research was undertaken with the Ministry of Pacific Island Affairs to:

- identify promising interventions, services, practices and opportunities for further development to enable Pacific families to address or prevent problem debt and achieve their financial goals
- broaden the currently limited knowledge base on Pacific peoples' knowledge, attitudes, skills and behaviour concerning financial decision-making to inform a wider programme of research on Pacific attitudes towards problem debt.

The study includes a concise review of current literature and interviews with service providers and two focus groups with community informants in South Auckland.

REPORT ONE SUMMARY

**A SUMMARY OF THE FINDINGS FROM THE TWO
REPORTS INCLUDED IN THIS RESEARCH:**

PACIFIC FAMILIES AND PROBLEM DEBT – ENVIRONMENTAL SCAN

PACIFIC FAMILIES AND PROBLEM DEBT – RESEARCH REPORT

Introduction

In 2010 the Families Commission prepared an environmental scan report: *Pacific Families and Problem Debt – Environmental Scan*. This report found that Pacific peoples are more vulnerable to problem debt, but that there was little known about how Pacific families manage their finances. In 2011 the Families Commission initiated a study to address these knowledge gaps.

This further research was undertaken with the Ministry of Pacific Island Affairs to:

- identify promising interventions, services, practices and opportunities for further development to enable Pacific families to address or prevent problem debt and achieve their financial goals
- broaden the currently limited knowledge base on Pacific peoples' knowledge, attitudes, skills and behaviour concerning financial decision-making to inform a wider programme of research on Pacific attitudes towards problem debt.

The study includes a concise review of current literature and interviews with service providers and two focus groups with community informants in South Auckland. The issues discussed in the interviews were:

- the underlying causes of Pacific debt
- cultural practices that might contribute to the tendency to get into problem debt
- the services available to assist Pacific peoples with problem debt
- how agencies work with Pacific peoples who are in debt
- possible community and policy responses to help Pacific peoples avoid problem debt.

This report also includes summarised information from the Families Commission research report *One Step at a Time: Supporting families and whānau in financial hardship* (February 2012). The report explores how culture, early intervention and financial knowledge and skills play a role in financial hardship. A case-study approach was used, and we interviewed families associated with five very different community organisations. Three of these organisations worked with Pacific families: the Eternal Christian Fellowship (Auckland), Good Cents (Wesley Community Action initiative – Porirua) and Granger Grove (Anglican Trust for Women and Children – Auckland).

In addition we have drawn on information we gathered at the i3 conference held by the Dream Centre in October 2011, which focused on building wealth in Pacific communities. This was inspired by the Commission's 50 Key Thinkers forum (Families Commission 2011).

The research provides evidence about how Pacific families manage their finances, and can be used by government and providers as they design future initiatives with Pacific families.



Key findings

Effective ways of working with Pacific families to move them out of hardship

- **Providing education and training** – targeted financial literacy and numeracy training to help families take the lead in managing their immediate issues and planning for the future.
- **Whole-family focus** – recognising that debt is an issue that involves the whole family. To be effective, any intervention should recognise the critical role of Pacific women in managing the family finances.
- **Awareness-raising** – helping new migrants to learn about money management in a New Zealand context. Checking cross-cultural understanding is important.
- **Leadership from the church and traditional leaders (for example, matai, elders)** – church and traditional leaders are role models who could assist in raising awareness about financial issues and strategies. Pacific churches are well positioned to lead initiatives and have a special role in encouraging families to live within their means and give only what they can afford.
- **Identifying alternative ways of doing things** – better budgeting, ways of reducing costs and in-kind rather than financial contributions to community or church events.
- **Service providers** – developing services that have Pacific workers with appropriate language skills to ensure that support is provided early and in culturally appropriate ways.
- **Raising awareness of financial supports available** – making sure families are aware of government support.
- **Revisiting access to easy credit and finance** – examining high interest rates and loans to beneficiaries, for example, and providing better information and support for those seeking loans, including plain-language contracts.

This research has already been made available to the Ministry of Consumer Affairs, and key messages from our financial hardship work were shared at last year's financial summit.

How services assist Pacific people in debt

The research talked to workers in 25 organisations. A quarter of these agencies were primarily budgeting services, with the remainder being general social and community services that offered budgeting assistance as part of their range of services.

The services provided fell along a continuum from prevention-based approaches to more direct crisis intervention. The range of services varied and reflected the complexity of circumstances presented by their clients. For example, mismanagement of finances was often accompanied by problems with gambling, alcohol and drugs, family violence, separation and divorce.

The following approaches to working with Pacific families were mentioned by agencies:

- **Education and training** – focusing on how to achieve the goals of the families is the best way to offer preventative skills. It is important that families take the lead in addressing their issues.
- **Social skills training** – encompassing budgeting workshops; communication and relationships training (including family violence); worker readiness; and healthy lifestyles workshops, as well as cooking classes. Wider skills training engages with a wider group of the Pacific population and may help to overcome the stigma associated with discussing these issues.
- **Financial education and awareness raising** – via radio broadcasts on Pacific radio stations, financial articles in Pacific magazines, worksheets and handouts for clients.
- **Referral to budgeting organisations** – developing budgeting plans with clients; for example, setting up banking and recording systems and Total Money Management.
- **Interagency collaboration** – for example, services provided at Work and Income offices to assist clients with budgeting needs and strengthening families.
- **Counselling** – for families and individuals as well as intensive case management.
- **Advocacy and intervention with other services** – for example, banks (to stop mortgagee sales); Housing New Zealand or landlords; Work and Income; finance companies (reducing amounts payable per week or consolidating debts); electricity, phone and gas companies.
- **Provision of goods** – food grants, food parcels, food or petrol vouchers, furniture, discounted clothing.

Referrals to services

Participants reported that clients either accessed their service of their own accord or were referred by other agencies. Many of the budgeting agencies noted a significant increase in the number of Work and Income referrals as budgeting plans were required in order for clients to be reviewed for specific grants. Many thought this was a positive strategy as it enabled many clients to explore their financial affairs with agencies that had the skills and expertise to assist them. Some agencies made specific referrals to budgeting services. Most budgeting agencies were affiliated to a larger national body that provided training and set practice standards.

Other referrals came from organisations such as Housing New Zealand, local Members of Parliament, Department of Courts, schools and Child, Youth and Family Services. One participant said that loan finance companies were referring clients.



Operating

The agencies mainly operated work hours (Monday to Friday, 9am to 5pm), although some provided a service on a Saturday. In some cases, however, staff would meet families after hours or on the weekend. Some agencies saw clients immediately but in other agencies demand was such that people had to wait three or four weeks before they were seen. The majority of clients would present themselves to the organisation. A few organisations offered home-based or school services, where workers would meet with clients in the family home or school. In all cases there was no cost to the client.

Staff

Some of the organisations employed Pacific workers and cultural elders who were fluent in their Pacific languages or familiar with the cultural dynamics of Pacific families. The ability to speak a native language can contribute positively to worker-client communications. Some participants commented on the advantages, such as the ability for workers to build rapport and trust with clients.

Desired outcomes

The following desired service outcomes were listed:

- client engagement – getting them through the door
- skills – families learning better financial management skills
- further education and training – Pacific individuals increasing their skills in order to get better jobs
- client empowerment – taking responsibility for their financial decisions
- achieving independence – no longer needing support from budgeting services
- not coming back – reducing the number of Pacific families getting into further problem debt.

Approaches to helping Pacific peoples in debt

A significant issue raised by providers was the reluctance of Pacific peoples to approach agencies for help with debt problems. Participants discussed the courage that was required by clients to seek help regarding their finances. This is a very sensitive topic and many did not want others to know they were struggling. The result of this reluctance was often that by the time they made contact with an agency they were in a financial crisis – facing eviction, repossession of household items and cars, or a mortgagee sale.

Women were the main clients of these services, although services were increasingly seeing men (especially sole fathers) approaching services. Clients tended to be 20 to 50 years of age, although younger and older clients were sometimes seen.

Important principles to ensure successful relationships with clients included:

- ensuring confidentiality
- offering non-judgemental advice
- active listening
- recognition of spiritual and cultural needs
- being supportive
- building trust.

Approaches included:

- emphasising the need for behavioural change
- getting clients to identify their goals
- motivating clients to sustain changes to achieve these goals. Often the goal was to provide the best possible life for their children

- a family-strengths-based approach – using family strengths to address financial debt
- being task centred
- working in partnership with agencies to address financial hardship:
 - negotiating with creditors – meeting with creditors and clients to seek a solution. Creditors often respond well when they see that the client has sought help with a budgeting agency
 - saving houses – renegotiating home loans so families did not lose their houses.

Factors contributing to Pacific peoples' indebtedness

Informants in this research noted the following factors as contributors to financial strain in Pacific families:

- cultural influences and expectations – priorities, collective responsibility, supporting extended families, donations to churches, contributing to community events
- personal characteristics – for example, language comprehension and lacking understanding of contract terms and conditions
- easy access to finance with high interest rates in their communities – including finance companies, car companies and mobile shops
- inability to meet repayments on credit purchases – high interest rates, easy access to money or goods
- accumulated debts – electricity, gas, telephone, rental arrears, district court costs
- intergenerational debt and debts incurred by others – for example, being a guarantor for others' loans
- low income – changes in income, including job losses; ill health or disability; the rising cost of necessary items.

Addressing cultural practices when helping Pacific peoples with problem debt

While many factors are common to most people who experience problem debt, there are also specific cultural factors that affect their likelihood of getting into debt. This section also includes summary information from the Families Commission research report *One Step at a Time: Supporting families and whānau in financial hardship* (February 2012).

It is important, however, to note that these practices, and their meaning, can differ between different Pacific ethnicities. Further, it was also felt by service providers and informants that at times these practices were unfairly blamed for Pacific peoples' debt, when blame should more fairly be directed to activities such as gambling and alcohol abuse. Most informants, however, discussed cultural factors that they felt had an impact on Pacific families' finances.

Cultural events

Pacific families are expected, particularly by their elders, to contribute to cultural events, including funerals (held either in New Zealand or the Pacific Islands), weddings, birthdays, sending money back to relatives in the Pacific Islands, special events (haircutting ceremonies, *misinale*¹) and church events (such as the opening of a new church).

¹ Tongan cultural practice of an annual financial gift to the church.



Many of the informants noted that the adherence to cultural practices becomes a financial issue when they prioritised these cultural events over providing for the basic needs of their families.

*Supporting information from *One Step at a Time: Supporting families and whānau in financial hardship* (February 2012)*

The Commission's research on financial hardship found that some participants thought that Pacific cultural practices have been modified in New Zealand through the introduction of a cash economy and easily accessible credit. For example, in the Pacific Islands it is traditional to give resources (such as food or time) rather than cash, so getting into debt by giving cash was not possible. This is an option often practised in New Zealand, however.

When I started in the relationship with him I thought that my money was mine and I could spend it on what I liked but it was not like that with him, it was more of a family thing... When I was with him there were expectations from his family; if there was a funeral, especially, we had to give money, \$500–\$1,000. We would get out loans to cover that. I didn't want to but we had to, there was no choice. (Good Cents participant, Porirua)

After participating in Good Cents Porirua, families chose to give amounts that enabled them to also meet commitments to their immediate family, or gave resources other than money, such as offering the use of their vehicle or home, or providing food or labour.

With funerals now, instead of getting a loan I go to the funeral and help out. We give what we've got and take food, help out and that's all. We ring around the family and everyone puts in; for example, \$20 each to get food. Since this course I have done that. Before we'd have got a loan to contribute. Now I have to think about my own family first. (Good Cents participant, Porirua)

Case study: Eternal Christian Fellowship (ECF), Auckland

One of our case studies on financial hardship was with the ECF church, based in Auckland, which has a predominantly Samoan congregation.

The research found that some Pacific families find it hard to feel good about giving to others when they are in financial hardship themselves, and believe that their giving is not being reciprocated.

The members of ECF have together embraced ideals of not being competitive or 'keeping up with the Joneses'. The church is not competitive and does not focus on status. Instead, it gives importance to living within one's means, and placing needs over wants. This contrasts with participants' previous experiences and helps to keep the practice of giving to a manageable level for families.

Participants saw value in remittances, as an investment and an important way to maintain relationships. A key theme of this case study is the belief that it is not cultural values themselves that are the problem; it is the 'practice' of culture. These practices are influenced by competitiveness and a new consumer culture.

In ECF, remittances are seen not as an obligation but as an investment in maintaining relationships.

You know you give them what you can because of the love and respect ... and you never know, our children might want to go back and live in Samoa so at least they still know their [family] back there. (ECF female)

Reciprocity, as described in the ECF case, takes a long-term view – the idea behind the practice of giving is that things are balanced out over the life-course and it is seen as an investment in familial relations – you give so that assistance will be given when it is your parent's funeral.

Giving to churches

Many of the service providers and informants stated that belonging to and fully participating in churches was important to their Pacific clients. This included making financial contributions to the church. A few participants commented that some churches encourage members to give what they can. The majority of participants, however, noted that church organisations and ministers can exacerbate the debt problem. Some churches publicly announce the amounts that were donated by family groups. This places pressure on families who do not want to lose face in front of their church members, and therefore aim to give more than they can afford. Some churches, however, are sensitive to their members' needs, as the following examples demonstrate.

Our research indicated that participants did not share a common view on the extent to which giving to churches exacerbated financial problems. Although there was some consensus – particularly in the Good Cents Porirua case – that giving to churches contributed to hardship, none of the families had directly found it a problem themselves.

The church here, they understand that we have to look after our own family first and whatever we can afford for tithing on Sunday – \$5 or \$10 – they are more than happy with that. (Good Cents participant, Porirua)

In our enquiry phase there had been a lot of pointing fingers, everyone blamed someone; for example, there was feedback from the Pacific community about tithing. Community workers were saying this ... [but] it was the outsiders' view, not people associated with the church, and it's not what families here talk about. If clients tithe it's because they want to – it's not seen as a hardship. (Good Cents staff member, Porirua)

There is a lot of flak about giving to the church ... but then I have seen it when it does work; when the whole community supported a family. So it made me start thinking that we are expecting people who come from a different way of thinking to fit in with our level of consumption, our ways of living... People forget that there are different kinds of benefits in different ways of living. (Granger Grove community interview, Auckland)

Case study: ECF, Auckland

ECF is working in a variety of innovative ways within their church community, including the practices of anonymous tithing to avoid competition for status among church members, and not gambling for fundraisers; the establishment of an emergency fund; a Christmas savings scheme; and financial instruction that is grounded in scripture and delivered in Samoan.

ECF participants did report negative experiences of previous churches they had been to where they felt burdened or pressured by the expectation to give.

That is the thing that I really like about this church. Is that you give what you can afford. I've grown up in the church all my life and I've never seen anything like it. It's the best thing. You just give what you can afford and it's between you and God. (Senior ECF member)

ECF's pastors, Pastor Solia and Pastor Seugagogo, are also involved in Radio Samoa and a Manukau Institute of Technology (MIT) 'money management course' and foundation learning. It is through these networks that many of the participants came to be members of the ECF church. The pastors have other employment and do not seek an income from their church members.

These services are not just for people experiencing problem debt or financial hardship – all in the church are exposed to financial literacy teachings. The teaching focuses on financial wellbeing rather than getting out of hardship. Having these teachings in church offers great opportunities for both maintaining financial wellbeing and preventing financial hardship in Pacific families.



Generational differences

Elders born in the Pacific Islands often do not understand the differences between the way things were done in the islands, and the consumer-credit culture in New Zealand. This means they cannot pass on relevant financial knowledge to their children.

The supporting information from the financial hardship case study with ECF indicated that the consumerist culture is new to migrant families, and family back in Samoa do not always understand that you pay for everything in New Zealand. In the case study with ECF, separate youth focus groups thought this was a particular problem for older Pacific peoples. The ECF pastors use scripture to teach church members how to manage their money and to help change their attitudes and perceptions towards money. The teaching environment is supportive and, unlike mainstream resources, is delivered within a cultural framework that is mutually shared. This, in turn, serves to strengthen rather than compromise the cultural perspectives the teaching is grounded in.

ECF takes a holistic approach, focusing on spiritual health, physical health and wellbeing. Its teachings are applied in real life and grounded in Samoan culture, with a 'whole-family wellbeing' focus. The ECF approach also includes practical teachings on how to manage what families have more effectively. One pastor, for example, holds a cooking class where members learn how to feed a family for \$25 a day. In this way, the church becomes a social provider, promoting family health and wealth.

ECF focuses not on climbing the career ladder or getting a better job, but on budgeting and using income more wisely. Aspirational thinking is encouraged, with a focus on making money work better and managing debt.

English as a second language

The majority of informants reported that most Pacific clients did not understand the terms and conditions of the contracts entered into and signed. Many clients were not aware of their own responsibilities as specified in the contracts and the potential outcomes of not keeping up with repayments.

From the supporting information in the financial hardship case study with ECF, we found the practices of ECF aid and empower its members to manage financial hardship and problem debt. Ongoing relationships between a church member and the pastors allow a natural pathway for early intervention and even prevention.

ECF recognises a distinct need to ensure that Samoan families, particularly new migrants and the elderly, are aware of the terms and conditions when they borrow money. The illusion of 'free money', through hire purchase, and the exposure to consumerist culture in New Zealand also make Pacific communities more vulnerable to problem debt. Teachings on financial wellbeing within a Pacific framework target these issues.

ECF pastors are also bilingual educators for the Samoan community. Members of ECF described the pastors as their 'first port of call' for explaining jargon on their financial contracts.

Interest was a key financial knowledge issue – people either did not know that non-bank lenders charge higher rates, or they knew interest rates were high but ignored this and paid attention to the amount of the weekly repayments instead of the total cost of borrowing the money.

Difficulty in saying 'no'

The majority of participants reported that Pacific clients struggled with advice given to either limit the amount of money or say 'no' to extended family, church or community events. This caused an emotional and spiritual struggle.

Case study: Good Cents (Wesley Community Action initiative), Porirua

Participants in the Good Cents programme talked about learning to say no to family obligations. After participating in Good Cents, families chose to give amounts that enabled them to also meet commitments in their immediate family, or they gave resources other than money, such as offering the use of their vehicle or home, and offering labour rather than money.

Attitudes to debt repayment

Some participants reported that Pacific clients believed that the financial arrangements with creditors were flexible. Creditors were more responsive and acted with urgency. Despite clients' poor credit history, creditors were able to use fixed assets as security and could provide loans in a timely manner. Creditors understood or at least appreciated what was important for the clients. Clients didn't have to justify why they were taking out the loan, just demonstrate the means to meet repayments.

Consumerism – targeting Pacific consumers

Many of the participants commented on the tailored advertising strategies by finance and car companies directed towards Pacific peoples. These include advertisements on Pacific radio stations in Pacific languages. Some organisations had prominent Pacific role models advertising their services. Slogans such as 'it's okay if you've got bad credit, no driver licence, we'll help you' were commonly quoted by informants.

A related issue concerned new migrants, who were unaccustomed to the consumer culture in New Zealand and the relatively easy access to goods and credit. The availability of student loans was also noted as a potential trap for young people lacking financial literacy or numeracy.

Our financial hardship research found that areas of high deprivation were more vulnerable to being exploited. Some communities had a very high presence of liquor stores, takeaway shops, pokies, finance companies, fringe lenders (such as loans available in liquor stores), mobile truck shops and door-to-door sales.

In *One Step at a Time: Supporting families and whānau in financial hardship* (February 2012) it became apparent that not only are finance companies targeting poorer communities with expensive forms of credit, they also do not give adequate advice on using this type of credit.

Participants were also unaware of alternatives to expensive consumer credit. For some, knowing the cost of using finance companies did not stop them from using them because it was sometimes seen as the only option they had in their circumstances.

Financial knowledge

There was very little mention of major banking organisations in the research. Pacific families were not borrowing funds from banks, which have markedly lower interest rates. Factors that influenced this borrowing from non-bank lenders were:

- accessibility – banks are not viewed as accessible; they are not in the business of quickly providing short-term small loans, and their criteria and rules are stringent and inflexible
- lack of assets to secure loans – this is related to the low rate of home ownership amongst Pacific people



- › having a low income or experiencing a reduction in income due to health or changes in employment, which affects credit ratings
- › lack of financial education and training – many clients purchased items on credit that they considered affordable when the goods were advertised as costing only a set amount per week. This suggests that these families do not understand the basics of interest costs, particularly how compounding interest works. Others understand how interest works but are not aware of what interest rate they are being charged. Clients did not have a full understanding of the total costs involved over the length of the contract.

Debts incurred by others

Many stories were shared by participants of clients who were left with a large debt when family members defaulted on their repayments. This can be a problem for older Pacific peoples who guarantee the loans of younger people and are left to meet the debt when they default. The risk is that these elders are left without a home and finances for retirement.

Case study: Granger Grove, Anglican Trust for Women and Children (ATWC), Auckland

Granger Grove staff noted that Māori and Pacific mothers tend to have a sense of being part of a ‘collective’. They saw this as both a positive and a negative. While collective responsibility can sometimes cause financial hardship, it can also provide family support.

In Pacific families, in particular, we notice that a number of the mums come in carrying other people's debt. I don't think they do it by choice, they have to, there is an expectation and that's so ingrained that there is no choice ... but then with a connection to another branch of the family, their sense of communal responsibility can help to support these women.
 (ATWC staff member)

Case study: ECF, Auckland

These strong family networks and relationships do exist for some participants, and can be seen in the examples of resources being pooled. Collective wealth is also mobilised as a strength in the ECF case through the emergency fund (pooling of a portion of tithes and offerings to the church). This is a good example of how a cultural value (the importance of collective wealth) can be used to enable practices that strengthen a community and the families within it.

We have the E fund, for whenever any family needs help and then you repay it with no interest. If it's \$5 this week or \$10 or whatever you want. That's a big help from the church.
 (Senior ECF member)

Multi-family living – financial burden on the host family and reality of multi-families who can't afford to live on their own

Pacific peoples are more likely than the general population to live in multi-family households. Some informants commented on the financial burden felt by Pacific families who were providing accommodation for other family members. Some of these relatives had been in New Zealand less than two years and therefore were ineligible for government assistance. Other family members were unable to afford private rental and were on the waiting list for government housing. In some of these households one income would be covering the living expenses of two or more families.

Possible solutions to Pacific problem debt

Informants made a number of suggestions aimed at reducing Pacific problem debt. These suggestions are outlined below.

What can families do?

- **Develop financial literacy and social skills** – developing skills, acquiring knowledge and taking practical steps to address immediate issues as well as plan ahead for the future.
- **Focus on the whole family and intervening at an early stage** – encouraging families to seek help before they reach crisis point.
- **Raise awareness in Pacific Island nations** – helping new migrants learn about money management in a New Zealand context.

What can communities, churches and service providers do?

- **Education about budgeting and money management** – there was seen to be an urgent need to improve financial literacy and numeracy, including motivation and goal-setting. This could be done by adapting styles of education, through families, schools, Pacific leaders, churches and communities. An example is the MIT ‘money management course’ run by the pastors from ECF. A range of media, including Pacific radio, should be used, and information should be presented in a user-friendly format.
- **Leadership from the church and traditional leaders** – church and traditional leaders are key role models who could assist in raising awareness about financial issues and strategies, and there is potential to build on the role of the church as a social service provider for Pacific communities. Pacific churches are well positioned to lead initiatives, not just in financial literacy but in many other aspects of a holistic approach to wellbeing (nutrition and health, careers and employment and education, for example). Churches have a role in encouraging families to give what they can afford, and discouraging them from competing when giving to the church.
- **Alternative ways of doing things** – better budgeting; ways of reducing costs (such as skyping the islands); in-kind rather than financial contributions to community or church events (food or labour, for example).



- › **Prioritising finances according to the New Zealand context** – revisiting cultural and church obligations; encouraging anonymous tithe and donations and establishing a church ‘emergency fund’ to provide families with financial aid in times of crisis. Shifting ingrained cultural practices will be challenging and will require courage and determination.
- › **Developing the workforce of budgeting agencies** – cultural knowledge, a Pacific workforce, more flexible services (open in the evenings, home visiting etc).

What is the role of government and financial regulations?

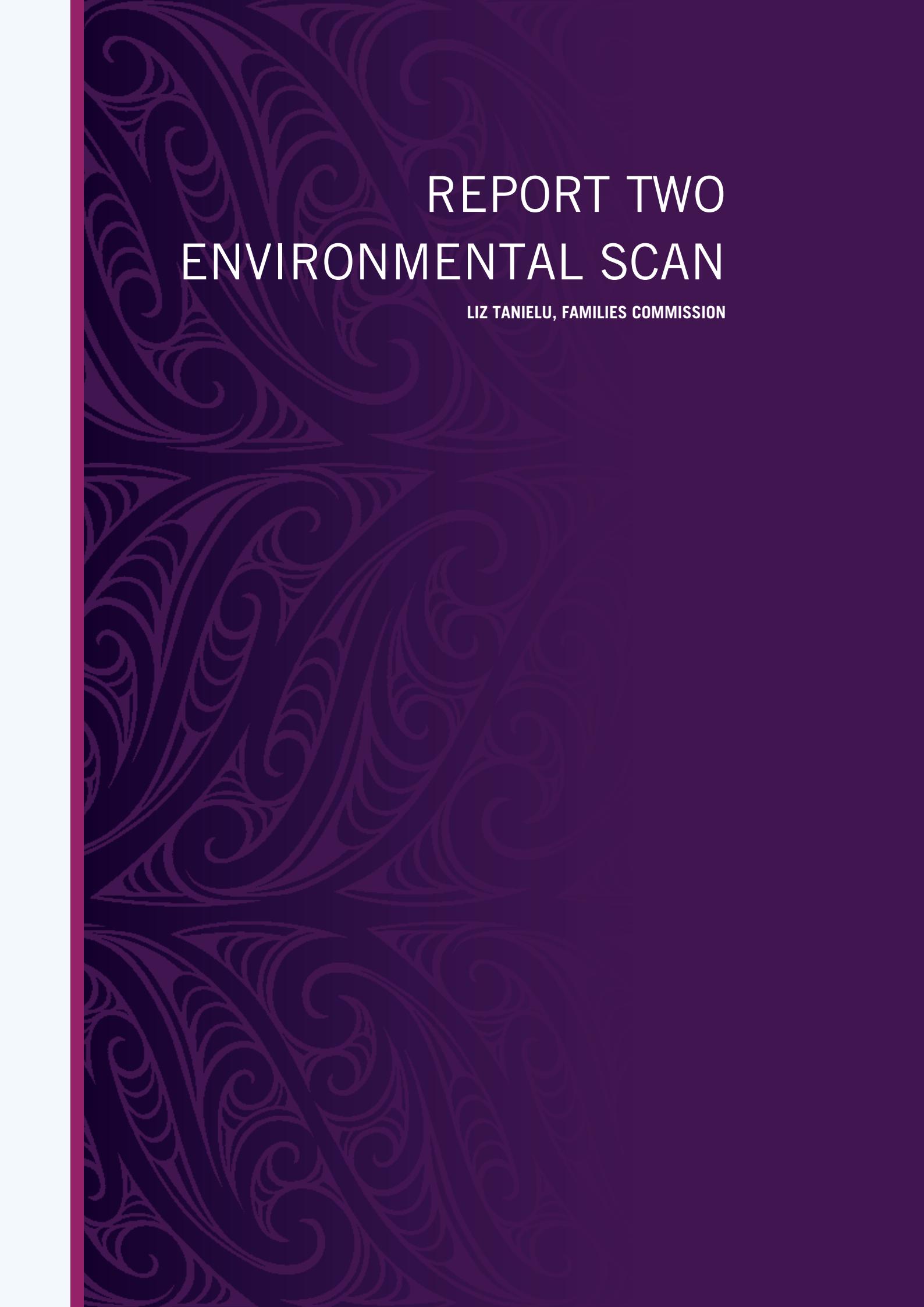
- › **Intervening in the setting of appropriate legislative and regulatory frameworks** – the new credit control legislation, for example.
- › **Raising awareness of financial support available** – making sure families are aware of government support.
- › **Revisiting access to easy credit and finance** – issues include high interest rates, loans to beneficiaries, multiple loans and high loan fees. Suggestions are caps on loan amounts, better information that is easy to understand and shows the full cost of a loan, plain-language contracts and support for those seeking loans. The new credit-control legislation should address these issues.

Initiatives that are working to reduce debt in Pacific families

Through this research, our report *One Step at a Time: Supporting families and whānau in financial hardship* (February 2012) and recent work with the Dream Centre in Manukau, we have identified successful community initiatives that are working to reduce debt for Pacific families.

ECF, Good Cents and Granger Grove are all church-linked with strong community bases. Services that are working best for Pacific families are not solely dedicated debt or budget advisory services. Rather, successful initiatives have grown from existing community services that are already working on the ground with Pacific families and in a wider, more holistic context.

These services provide budget training in a culturally responsive context; the church is a key player in this. Church is very important for Pacific peoples and church-based initiatives that address the issues of tithe and reciprocal giving are critical.



REPORT TWO ENVIRONMENTAL SCAN

LIZ TANIELU, FAMILIES COMMISSION

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1. Summary

This section is an environmental scan about Pacific peoples and problem debt, and was prepared in August 2010.

Pacific peoples are a significant group within New Zealand society. At the time of the last New Zealand population census in 2006, almost 266,000 people identified as being of a Pacific ethnic group, equivalent to approximately 6.9 percent of New Zealand's total population. The Pacific population in New Zealand is projected to grow by 2.4 percent a year to 480,000 by 2026.

The Pacific population is the most youthful of all ethnic groups in New Zealand. Currently, one in every 10 children in New Zealand is of Pacific ethnicity. It is predicted that by 2051 the proportion will rise to one in every five.

The Pacific population in New Zealand consists of at least 20 distinct cultural and language groups. The Samoan community is the largest (50 percent), followed by Cook Islanders (22.5 percent), and Tongan (15.5 percent), Niuean (9 percent), Fijian (2 percent) and Tokelauan peoples (1 percent).

Economic situation

Pacific peoples, generally, do not fare particularly well economically:

- Pacific people earn on average substantially less than Europeans and those of other ethnicities.
- In December 2009, 14.1 percent of Pacific people were unemployed, compared to the national average of 6.8 percent.
- Most recently, 17.3 percent of Pacific males and 11.8 percent of Pacific females aged between 15 and 24 years were not in education, employment or training (NEET). These figures compare with 11.8 percent of all males and 9.6 percent of all females in this age group.

Availability of financial services

Some Pacific peoples are seeking crisis intervention services (such as reconnection of utilities or re-mortgaging of properties) rather than proactively managing their finances.

Exposure to problem debt

Problem debt was defined as 'unmanageable debt leading to financial strain'.

A recent New Zealand study of household debt suggests that families in which at least one of the partners is of Pacific ethnicity are at greater risk of indebtedness. Another study found that Pacific peoples had the highest proportion of bank debt and hire-purchase debt.

Pacific peoples' vulnerability

There is no known single factor that makes Pacific peoples particularly prone to problem debt. Rather, it is likely to be a combination of factors – poor economic situation, collective values base and cultural obligations – that makes it difficult for many to keep their heads above water financially. This paper discusses likely inter-related factors.

Use of fringe lenders

Loans from fringe lenders are becoming an increasingly common source of short-term finance for people in lower socio-economic groups who do not qualify for credit from mainstream providers (such as major banks and higher-tier finance companies). Most fringe lenders are located in lower-income communities, particularly in South Auckland, where they outnumber banks.

For the majority of Pacific peoples studied, the ability to quickly and readily access a loan from a fringe lender (compared to a bank) was more important than the terms of the credit contract. The vital information for Pacific consumers appeared to be the size of the weekly repayment rather than the total cost of the loan.

Most Pacific consumers borrowed from fringe lenders to pay for essential items or other loans or debts, or to give or send money or purchase gifts for other people.

Donating and tithing to churches

Church life in New Zealand provides cultural, spiritual, educational and social support for migrants. In 2006, 83 percent of the total Pacific population stated affiliation to at least one religious denomination, compared with 61 percent of the total New Zealand population.

Donating is the more common practice in traditional Pacific churches such as the Methodist and Congregational churches, attended mainly by Tongan and Samoan people. Studies show that donations vary in amount but generally are very high, and they can be beyond the means of churchgoers. Donations are used to pay for the upkeep of the church minister and church building expenses, and to support the national and international church headquarters.

Dissension amongst younger generations over donations is a common theme. Reasons for leaving the church include the financial strain of maintaining donations and having no voice in the decision-making process.

Some church leaders are attempting to reduce the financial strain on their members. This includes establishing income-generating initiatives such as operating early childhood centres from church premises.

Practice of remitting money back to family members in the Pacific Islands

Studies have estimated that Pacific peoples remit between 5 and 15 percent of their income to the Islands.

Remittances outside New Zealand can be regarded as providing immediate benefits (consumption), but also securing future benefits, which are more like savings.

Remitters, in general, are unaware that there are costs in addition to the flat fee they are charged to transfer money. This has enabled a whole industry to grow and make large profits on the back of transacting remittances. In response, New Zealand introduced regulatory improvements in 2008. Overseas experience demonstrates limited take-up of new remittance products if there is not a direct link to financial education. Evidence suggests that low financial capability significantly impedes access to financial services and their effective use.

Information gaps

Various information gaps are noted in this paper:

- aspects of Pacific peoples' financial decision-making, such as decision-making processes within families, and savings behaviour
- variations among Pacific ethnic groups in financial literacy and financial behaviours

- motivation for, and knowledge about, remittances, including the charges for making remittances, and exchange-rate losses
- attitudes towards donations to churches.

Future research

The Families Commission proposes to undertake a study of Pacific financial literacy and decision-making that will address these information gaps for two of the Pacific ethnic groups, Samoan and Tongan.

2. Introduction

This paper responds to the Minister for Social Development's request (in her letter of expectation to the Commission in March 2010) to undertake 'research on the impact of the following practices within Pacific Island families and their experience of debt: donations to churches, remittances to families back home, and use of fringe lenders'.

It examines Pacific peoples' economic position in New Zealand, suggests some possible reasons for their vulnerability to problem debt and scans what is known about Pacific peoples' attitudes and behaviour and how they increase their risk of problem debt, including:

- their practice of tithing and donating to churches
- remitting money back to family members living in the Pacific Islands
- borrowing from fringe lenders
- borrowing from the Student Loan scheme.

It looks into services currently provided to Pacific peoples to assist them in addressing problem debt.

Problem debt is one symptom of financial hardship and is a significant barrier to families enjoying a meaningful, rewarding life. In keeping with some other Families Commission publications, we define problem debt as 'unmanageable debt leading to financial strain'.

Families can be considered to be in problem debt if they are:

- not keeping up with utility, mortgage, rent or credit payments
- borrowing from family or friends or pawning or selling possessions to meet everyday living costs
- receiving financial help from community organisations.

The paper also notes knowledge gaps regarding Pacific peoples' attitudes and behaviour regarding potential sources of problem debt, with the aim of informing future work in this area. The paper ends with some recommendations.



3. Methodology

The preparation of this environmental scan involved a literature review to determine what is known about the socio-economic situation of Pacific peoples, their experiences of debt and the extent to which they experience problem debt. The review covered published and unpublished studies since 1990, with a focus on the newest findings.

Key words were: Pacific families' and individuals' financial capability/management/literacy/skills and debt, including over-indebtedness or problem debt, levels of income, levels of debt, unemployment and benefit levels. Most studies gave figures for the Pacific peoples as a whole, and did not provide them separately for the different Pacific ethnic groups.

The literature review was supplemented with interviews with experts from government, the non-government sector, commentators and academia. A list of those consulted is appended to the end the report.

4. Economic position of Pacific peoples in New Zealand

Pacific peoples are a significant group within New Zealand society. At the time of the last New Zealand population census in 2006 almost 266,000 people identified as being of a Pacific ethnic group, equivalent to approximately 6.9 percent of New Zealand's total population.

The Pacific population in New Zealand is projected to grow by 2.4 percent a year to 480,000 by 2026 (Statistics New Zealand, 2008a).²

The Pacific population is the most youthful of all ethnic groups in New Zealand. In 2006, its median age was 21.1 years, compared with the total New Zealand population's median age of 35.9 years.

Currently, one in every 10 children in New Zealand is of Pacific ethnicity. By 2051 it is predicted that the proportion will rise to one in every five.

At least six out of every 10 people of Pacific ethnicity are now born in New Zealand (Statistics New Zealand, 2008a).³

Pacific peoples are highly concentrated in New Zealand's urban centres. In 2006, two-thirds (177,900 people) lived in the Auckland region, with a further 13 percent (34,800 people) living in the Wellington region. Seven percent lived in the South Island. Of the cities and districts, Manukau

² Including adjustments to allow for ethnic non-response and undercount.

³ Including adjustments to allow for ethnic non-response and undercount.

City had the highest count of people of Pacific ethnicity (86,616 people) – one in three people of Pacific ethnicity lived in Manukau City (Statistics New Zealand, 2006).

The Pacific population in New Zealand consists of at least 20 distinct cultural and language groups. The Samoan community is the largest population group (50 percent), followed by Cook Islanders (22.5 percent), and Tongan (15.5 percent), Niuean (9 percent), Fijian (2 percent) and Tokelauan peoples (1 percent) (Statistics New Zealand, 2000).

There are important commonalities and shared experiences among those classified as ‘Pacific peoples’ in New Zealand, but there is also considerable ethnic, cultural and linguistic diversity. Contrary to the common perception of Pacific homogeneity in New Zealand, there is no generic ‘Pacific community’ (Ministry of Pacific Island Affairs, 2006). Pacific peoples vary widely in terms of their economic status and progress, and the interaction this has with social and cultural influences.

Statistics New Zealand data show that Pacific New Zealanders earn on average substantially less than Europeans and those of other ethnicities (Table 1).

Table 1 Median annual personal income by ethnic group in 2006

Ethnic group	Median annual personal income
European	\$25,400
Māori	\$20,900
Pacific peoples	\$20,500
Asian	\$14,500
Middle Eastern, Latin American and African	\$16,100
Other ethnicity	\$31,200

Source: Statistics New Zealand. In the 2006 Census, total personal income information was collected for people aged 15 years and over, who usually lived in New Zealand. It relates to the 12 months ending 31 March 2006 and includes income from all sources. Accessed at <http://www.stats.govt.nz/~media/Statistics/Census/2006-reports/quickstats-subject/Incomes/2006-census-quickstats-about-incomes.pdf>

Pacific peoples are also often employed in low-skilled and low-paid jobs (Statistics New Zealand, 2006).

Pacific participation in the labour force

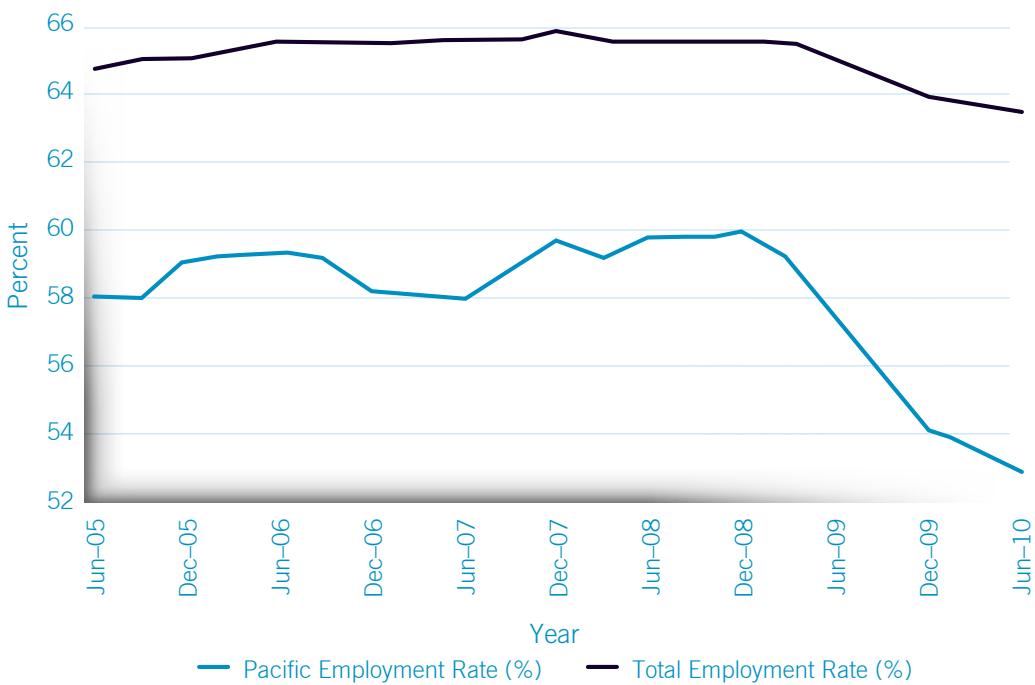
In the year to June 2010, of the 190,400 Pacific peoples in New Zealand who were aged 15 years and over, 38.5 percent (73,200 people) were out of the labour force for reasons such as child rearing, retirement or studying. Of the remaining 117,200, 100,700 (85.9 percent) were employed (Department of Labour, 2010).

Employment rates – Pacific and total

Figure 1 shows the differences between the employment rates of Pacific peoples and of all people over a five-year period, June 2005 to June 2010. Throughout the five years shown, the Pacific employment rate was around five percentage points lower than for all people. The Pacific employment rate also fell 5.1 percentage points, from 58 percent in June 2005 to 52.9 percent in June 2010 (Department of Labour, 2010).



Figure 1 Employment rates for Pacific and total population, 2005–2010



Source: Department of Labour Pacific Peoples' Labour Market Factsheet, June 2010. Accessed at <http://www.dol.govt.nz/publications/lmr/quick-facts/pacific.pdf>

Unemployment rates – Pacific and total

Quarterly Household Labour Force Survey data from December 2009 shows that Pacific peoples have been disproportionately affected by the economic recession. The Pacific unemployment rate rose more steeply than the New Zealand average from December 2008, and despite levelling off between March and September 2009, it rose again to reach a high of 14 percent (12,200 people) in the December 2009 quarter (up from 8 percent in the December 2008 quarter), compared to the national average of 6.8 percent (unadjusted) (Department of Labour, 2009).

Reasons for a higher unemployment rate among Pacific peoples

Many inter-related factors are likely to contribute towards higher unemployment for Pacific peoples, such as their youthful population, having fewer qualifications and the decline of industries that have traditionally employed many Pacific workers.

As at June 2010, the principal industries Pacific peoples were employed in were manufacturing (20,500 people) and wholesale and retail (12,200 people) (Department of Labour, 2010).

Processing and manufacturing are activities most vulnerable in the global economy, and subject to major technological change, and compared to a year ago, positions in wholesale and retail have fallen by 23.9 percent. Within these industries Pacific peoples face not only potential unemployment, but also the continuing need to hold a number of jobs to make ends meet because of lower-than-average incomes.

Table 2 shows the loss in Pacific employment in these types of industries (Department of Labour, 2010).

Table 2 Pacific employment by industry

Industry	March 09 (000)	March 10 (000)	Change 2009–2010 %
Manufacturing	21.6	21.2	-1.7
Utilities and construction	9.4	8.8	-6.4
Wholesale and retail	16.5	12.5	-23.9
Accommodation, cafes and restaurants	4.7	4.7	-0.5

Source: Department of Labour

Benefit recipients – Pacific and total

At the time of the last census in 2006, more than 15 percent of Pacific peoples were on a benefit, compared with 12 percent of the total working-age population. Pacific women are more likely to receive a benefit than Pacific men. Pacific women and men aged over 55 are more likely to be on a benefit than other groups in the Pacific population.

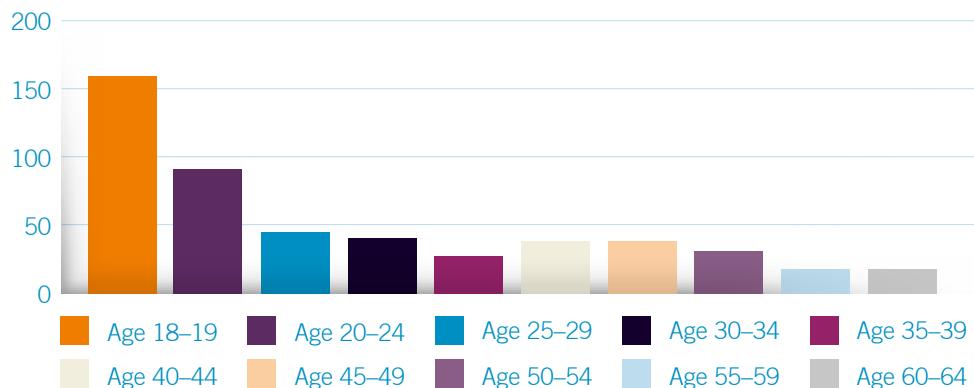
More recent figures show that a total of 28,150 Pacific peoples were receiving a main benefit at 28 February 2010.⁴ This was an increase of 45 percent (8,673 people) in two years, with the increase being one-and-a-half times larger than that for the total population (which experienced a 30 percent increase).

Pacific youth receiving main benefits have been affected the most over the last two years of the economic downturn. As at 28 February 2010, 1,971 Pacific youth aged 18 to 19 years were recipients of main benefits – an increase of 157 percent (1,204) since February 2008. Those aged 20 to 24 years showed an 89 percent increase in recipient numbers since 29 February 2008 (Ministry of Social Development, 2010). This may be fuelled by the fact that a higher proportion of Pacific youth become young adults of employment age each successive year than of other population groups.

⁴ DPB is Domestic Purposes Benefit; DPB-related includes DPB – Caring for Sick or Infirm, DPB – Sole Parent, DPB – Woman Alone and Emergency Maintenance Allowance. IB is Invalid's Benefit. SB-related is Sickness Benefit and Sickness Benefit Hardship. UB-related is Unemployment Benefit and Unemployment Benefit Hardship, Emergency Benefit, Independent Youth Benefit, Unemployment Benefit Training and Unemployment Benefit Training Hardship, Unemployment Benefit.



Figure 2 Percentage change over two years in numbers of working-age Pacific people receiving a main benefit – by age group

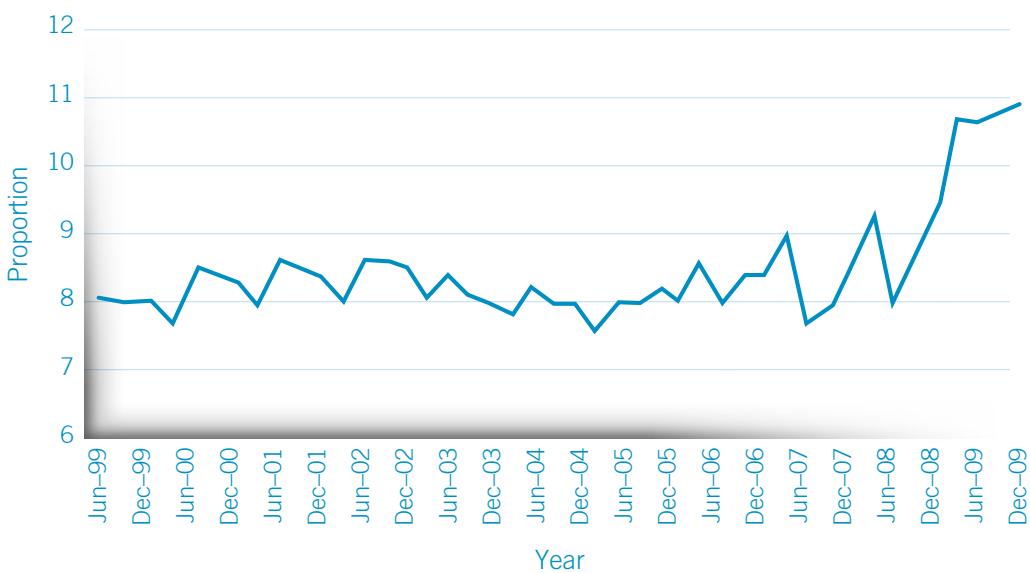


Source: MSD. Accessed at <http://www.msd.govt.nz/about-msd-and-our-work/publications-resources/statistics/benefit/index.html>

Unemployment benefit recipients – Pacific and total

Quarterly data show that the percentage of Pacific peoples receiving the unemployment benefit fell steadily between December 1999 and December 2007. However, there was a sharp increase in the numbers of Pacific recipients to 7,163 in December 2009 (almost a 300 percent increase from December 2007). Figure 3 shows the percentage of Unemployment Benefit recipients who were Pacific over a just-more-than-10-year period, March 1999 to December 2009 (Ministry of Social Development, 2010).

Figure 3 Percentage of Unemployment Benefit recipients who are Pacific – June 1999 to December 2009



Source: MSD. Accessed at <http://www.msd.govt.nz/about-msd-and-our-work/publications-resources/statistics/benefit/index.html>

The latest figures to the end of February 2010 show that there were approximately 64,145 working-age people receiving the Unemployment Benefit. Of that total, 11.3 percent were Pacific, compared with 6.9 percent of the total population.

Three-quarters of the Pacific Unemployment Benefit recipients were living in Auckland (Ministry of Social Development, 2010).

Not in education, employment or training – Pacific and total

Another measure of participation in labour-market-related activity is ‘not in education, employment or training’ (NEET). Table 3 shows that as at June 2010, 17.3 percent of Pacific males and 11.8 percent of Pacific females aged 15 to 24 years were NEET. These figures compare with 11.8 percent of all males and 9.6 percent of all females in this age group nationally.

Table 3 Not in education, employment or training, June 2010

Group	Pacific	All
Males aged 15–24 years	17.3%	11.8%
Females aged 15–24 years	11.8%	9.6%

Source: Department of Labour

The NEET rate for Pacific males has experienced the highest rate of growth over the past year (Department of Labour, 2010).

Some other key factors associated with Pacific peoples' economic position

While Pacific education outcomes are mostly improving steadily, the education system is still failing to deliver equitable outcomes. Lower levels of literacy and numeracy for many Pacific children are not addressed effectively by teachers early on. This leads to poor learning outcomes in secondary school and low qualification levels for Pacific young people (Statistics New Zealand and Ministry of Pacific Island Affairs, 2010a).

For those Pacific students who do succeed at school and go on to achieve degree-level qualifications, the benefits of their income are comparatively greater than for non-Pacific people, since they extend also to improving the wellbeing of Pacific families and communities, and better educational outcomes for their children and future generations.

Housing

The proportion of Pacific peoples who are Housing Corporation tenants increased from 26 percent in 2006 to 38.3 percent in December 2009 (Housing New Zealand, 2010).

In Auckland, Pacific peoples make up 40 percent of Corporation tenants. Pacific peoples represent the group with the highest need in areas where Healthy Housing and Community Renewal programmes operate.

Assistance to help people with their housing costs is provided through income-related rent and the Accommodation Supplement. In December 2006, Pacific families accounted for 23 percent of income-related rent recipients. The Accommodation Supplement administered by Work and Income assists low-income people in the private sector with rent, board and mortgage payments. On the basis of their share of all assistance given, Pacific peoples received approximately \$60 million in the Accommodation Supplement and \$120 million in income-related rent assistance in 2006 (Housing New Zealand, 2009).

The Pacific population is characterised by relatively high rates of mobility. Pacific peoples (and Māori) most commonly claim social reasons as the main reason for moving or not moving. Economic and housing reasons were the next most common motivations (Housing New Zealand, 2010).



5. Financial education providers

The Retirement Commission⁵ compiled a list of financial education providers in March 2008 as part of developing the National Strategy for Financial Literacy. The information provides a useful overview of the range of private, voluntary and government services available to the community. Their reach to Pacific peoples, however, is unknown.

Financial services and courses include budget services, Retirement Commission services and others, such as social lending services.

5.1 Budget services

The budgeting advice sector is complex. It is not a uniform collection of providers and there is no single comprehensive list of all services available. In 2009/10 Family and Community Services⁶ (FACS), Ministry of Social Development, funded 162 providers for budget services.

The FACS National Directory of Social Services lists 372 agencies (including all Work and Income offices) that state that they offer 'budget advice'.

FACS does not know the nature or scale of the service offered by all these providers, nor their funding sources. Many providers belong to one or more of five budget service provider networks, the largest of which is the New Zealand Federation of Family Budgeting Services. Only about half the members in each network are FACS-funded.

In 2009/10, FACS funding for budget services totalled \$8.742 million. Funding per contracted provider is understood to be contributory only, and is estimated to meet 60 percent of a budget service's costs.

This sector is noting an increase in people needing assistance. Providers report an increase in more middle-class and outwardly affluent clients who are in significant and complex financial difficulty.

Among the challenges faced by these services are client groups who present with particular requirements, such as cultural needs, underlying intellectual or mental health difficulties or English as a second language.

Of the 162 FACS providers there are five identified as Pacific providers. This does not include mainstream providers located in areas where Pacific peoples predominantly live. Of the five Pacific-identified providers (three based in Auckland, one in Wellington and one in Christchurch), only one (based in Auckland) provides budgeting advice as its core business.

Recently interviewed budget service providers who work primarily with Pacific peoples have said that their Pacific clients come to their service with an adverse credit rating, having realised too late the impact of their decisions or the magnitude of their debt situation; they primarily seek assistance with negotiating mortgagee sales, utility reconnections and access to foodbanks. They have come to the service as a last resort.

Clients tend to be Pacific women who manage the household budget. The Pacific trainers of budget courses tailor the content to how Pacific people tend to operate. They discuss family obligations and responsibilities as well as practical steps towards planning and saving.

⁵ The Retirement Commission, since renamed The Commission for Financial Literacy and Retirement Income, is an autonomous Crown entity with the purpose of helping New Zealanders to be financially 'sorted' throughout their lives. The key activities are providing financial education and carrying out regular reviews of retirement income policy.

⁶ Family and Community Services (personal communication, 27 July 2010).

There are few known places that deliver budgeting classes specifically to Pacific peoples. Budget service providers have signalled the need for more assistance to train staff and tailor course delivery through places of employment and community settings such as churches.

5.2 Retirement Commission services

The purpose of the Retirement Commission, established in 1993, is to help New Zealanders prepare financially for retirement through education, information and promotion.

In 2008 the Retirement Commission released the National Strategy for Financial Literacy, a benchmark strategy which sets the direction for improving financial literacy in New Zealand. Recommendation 13 of the Strategy is to work with Pacific communities, the Ministry of Pacific Island Affairs and relevant stakeholders to facilitate financial education programmes tailored to Pacific peoples to provide the information and skills necessary to become well-informed and knowledgeable consumers of financial products and services, to manage money effectively and to plan for the future.

Despite this recommendation, there is little evidence of a specific work programme for Pacific families. The Retirement Commissioner welcomes an opportunity to further explore this.

5.3 Other services

Social lending is a new form of lending. Social loans are like bank loans in that they need to be paid back and they generally require interest payments and collateral or security. They differ from bank loans in that they promote social goals (Benedict, 2010).

A recent report on social lending in New Zealand records historical and current thinking in the fields of Māori development, philanthropy and the community and voluntary sector (Benedict, 2010).

Social lending exists in New Zealand, but at far lesser levels than in the US, the UK or other parts of Europe. New Zealand's existing organisations are currently limited in their scope:

- some serve only one community, which leaves many communities without access
- some limit the size of their loans because their capital base is small
- some serve only non-profits and not small businesses
- some are dependent on annual fundraising because their operating model runs at a loss.

The report provides ideas and recommendations for the continued development of social lending in New Zealand.

6. Exposure to problem debt

6.1 Problem debt

Problem debt is one symptom of financial hardship, and is a significant barrier to families enjoying a meaningful, rewarding life. In keeping with some other Families Commission publications, we define problem debt as “unmanageable debt leading to financial strain” (Families Commission 2009).

Families can be considered to be in problem debt if they are:

- not keeping up with utility, mortgage, rent or credit payments
- borrowing from family or friends or pawning or selling possessions to meet everyday living costs
- receiving financial help from community organisations



- › borrowing money from fringe lenders.

Families with problem debt are more likely to comprise or be characterised by:

- › young people
- › single people
- › adults with children
- › adults with no school qualifications
- › low household income
- › the main income earner not being in employment or being in receipt of a benefit
- › having experienced relationship breakdown
- › having a family member with a long-term illness or disability
- › having a combined debt that is greater than their assets (Families Commission and Retirement Commission, 2008).

Pacific families tend to be over-represented in some of these statistics (such as the main income earner being unemployed or receiving a benefit).

A recent New Zealand study of household debt suggests that families in which at least one of the partners is of Pacific ethnicity are at higher risk of indebtedness. Study findings included that:

- › couples with at least one partner identifying as Māori or Pacific had on average \$7,000 more debt than European couples
- › couples who had at least one partner identifying as Māori or Pacific were about four percentage points more likely to have debt-servicing costs over 30 percent of their own income than European couples
- › couples where neither partner was born in New Zealand were 3.8 percentage points more likely to have debt-servicing percentages over 30 percent (Henderson & Scobie, 2009).

Another study suggests that:

- › Pacific people had the highest proportion of bank-debt holders, with 31 percent of non-partnered individuals and 44 percent of couples
- › Pacific people also had the highest median bank debt held by non-partnered individuals (\$3,900), while those of Asian ethnicity had the lowest with a median of \$700
- › Pacific people had higher proportions of hire-purchase debt holders than Europeans (Retirement Commission, 2002).

6.2 Why Pacific peoples are particularly vulnerable

There is no known single factor that makes Pacific peoples particularly prone to problem debt. Rather, it is likely to be a combination of factors that makes it difficult for many to keep their heads above water financially.

Inter-related factors gleaned from research studies and the interviews are likely to include:

- › Pacific peoples operate on a values base of collective responsibility, respect and servant-hood. A Pacific individual does not stand on his or her own, but is an integral part of an extended family. This means responsibility to the collective. In times of difficulty the family will support the individual and vice versa. When Pacific peoples meet for the first time, they attempt to make a connection through genealogy, not just by name (Koloto & Sharma, 2005; Tamasese, Peteru, & Waldegrave, 1997; Tau'akipulu, 2000).
- › Younger generations of Pacific peoples are obliged to honour their parents' values and cultural practices, including donating to churches, and remitting money back to family members living in the Pacific. Intergenerational debt is a real issue for younger generations (Tui Atua, 2009).

- Pacific leaders may exert influence on their people to continue with their cultural practices regardless of their ability to afford them.
- Pacific peoples are a relatively new migrant population to New Zealand. Their economic starting point was low-skilled employment, which means it can take generations for families to secure a sustainable financial base. Some Pacific peoples and their children are over-stayers, with no or poor access to jobs or benefits.
- New Pacific migrants may adopt the lifestyle of their host family, which may include poor budget practices. Most migrants are expected to financially assist with their hosts' debts. In some cases their wages are controlled by the host. New migrants do not receive resettlement advice. They are often ill-prepared for life in New Zealand (Pomana, 2006; Tau'akipulu, 2000).
- In Pacific families, extended family needs often take precedence over individual needs and household bills (Fleming, 1997, cited in Koloto & Katoanga, 2007).
- Pacific peoples may lack the financial knowledge to budget appropriately in the New Zealand context, and therefore seek cash through fringe lenders, not fully understanding the financial implications of these lending agreements.
- Pacific peoples may migrate from New Zealand to Australia in search of better opportunities, leaving people behind saddled with their debts.
- Pacific peoples are disproportionately affected by an economic recession since they work in job sectors vulnerable to lay-offs (such as manufacturing and construction). Their low-skilled jobs may also be overtaken by technology.
- Unlike migrants from other nations who have come from centuries of enterprise started in cottage industries, Pacific peoples come from relatively young nations that are just building their legacies.
- Some Pacific families, in common with low-income families of all ethnicities, may have difficulty accessing affordable credit.
- Pacific peoples are more likely to be tenants rather than homeowners, which limits asset bases, security and funding opportunities for enterprise.
- The Pacific population is a youthful population.
- Two-thirds of Pacific peoples live in Auckland – the most expensive New Zealand city in which to live. Auckland is very spread out, has poor and costly public transport, which means a car is a necessity. With a car comes expenses. Pacific peoples have also been targeted by car lenders with easy finance options.
- Pacific peoples have limited knowledge about money matters and access to financial information.



7. Potential sources of problem debt

This section examines what is known about Pacific peoples' attitudes and behaviour in relation to some potential sources of problem debt – their use of fringe lenders, their practice of tithing and donating to churches, their practice of remitting money back to family members in the Pacific Islands, and Student Loan debt.

7.1 Borrowing from fringe lenders

Introduction

In 2007, the Ministry of Consumer Affairs identified 185 companies as fringe lenders. Nearly all (94 percent) offered cash or personal loans, 43 percent offered vehicle loans, 26 percent offered debt consolidation and 24 percent offered pawn-broking services (Ministry of Consumer Affairs, 2007).

Most fringe lenders are located in lower-income communities, particularly in South Auckland, where they outnumber banks.

The business model for many of these lenders has been to provide credit at 8 percent interest per week. Andrew Shann cited the example of a Wellington fringe lender, Super Loans Limited, which offered short-term financial facilities at interest rates of 8 percent per week compounding to 417 percent per annum.⁷

The credit is likely to come without a statement of position. Borrowers' moveable assets are used as security and the loans come with far-reaching repossession powers. Debts are on-sold to collection companies that repossess on default.

Loans from fringe lenders are becoming an increasingly common source of access to short-term finance for people in lower socio-economic groups who do not qualify for credit from mainstream providers (such as major banks and higher-tier finance companies).

Pacific use of fringe lenders

Pacific peoples make up a significant proportion of consumers of credit from fringe lenders. Many of them are on a low income but have socio-cultural obligations that make them particularly vulnerable to exploitation. Fringe lenders hook Pacific borrowers in by being extremely accessible, providing cash within 30 minutes and understanding the Pacific approach to life.

Anecdotal information suggests that mobile fringe lenders deliberately target low-income communities by door knocking to sell clothes, vacuums and computers on credit.

A number of Pacific peoples have become dependent on fringe lenders and their high-cost credit for everyday expenses. The high cost of credit can deplete Pacific peoples' income, prolong financial hardship and impede their ability to overcome financial difficulties and to save.

⁷ Undertook research on payday lenders.

Pacific peoples' behaviour around fringe lenders

In 2006–07, the Ministry of Consumer Affairs commissioned Auckland University's Centre for Pacific Studies to conduct qualitative research into Pacific consumers' behaviour and experience in the fringe lending market (Ministry of Consumer Affairs, 2007).

For the majority of Pacific peoples studied, concern about getting the money from the fringe lenders was more important than the terms of the credit contract. The vital information for Pacific consumers appeared to be the size of the weekly repayment rather than the total cost of the loan.

The research noted that Pacific consumers feared questioning or complaining to fringe lenders because this might lead to them not being able to borrow the funds. In addition, they appeared to not ask seemingly important questions because of the trust they placed in the credit provider, especially when the credit provider was a member of the same ethnic community.

A researcher described an example of one Pacific family's actions in the face of a mortgagee sale that completely puzzled them: “[A] Samoan family's home was put up for mortgagee sale, yet while I was there talking with the father, the mother returned with her children from delivering their yearly contribution (taulaga) to the church. So how can you explain a family whose home was up for a mortgagee sale and still contributing their resources to the church?”

Reasons for borrowing from fringe lenders

Reasons Pacific consumers gave for borrowing from fringe lenders were quite different from consumers from other ethnic groups (Table 4). The most common reason Pacific consumers gave for borrowing from fringe lenders was for essential items (44 percent for Pacific consumers compared with 14 percent for other ethnic groups); this was followed by paying off other loans or debts (36 percent for Pacific compared with 7 percent for other ethnic groups); and thirdly to give or send money or purchase gifts for other people (24 percent for Pacific compared with 3 percent for other ethnic groups) (Ministry of Consumer Affairs, 2007).

Table 4 Reasons given for borrowing from fringe lenders

Reason	Pacific (n = 35)	Non-Pacific (n = 665)
Essential items	44%	14%
To pay other loans/debts	36%	7%
To give money or gifts	24%	3%

Source: Auckland UniServices, the University of Auckland

Another study had similar findings. The most common reason for borrowing by Pacific consumers was to meet everyday household expenses, followed by purchasing large items such as cars. Meeting social and cultural obligations was mentioned as the third most common reason for borrowing and, like the first, is an area often requiring access to instant cash. These social and cultural obligations are usually for events for which Pacific peoples cannot easily plan, increasing the potential susceptibility to unreasonable and oppressive credit provider practices.



Examples of financial exploitation

Anecdotal evidence suggests Pacific peoples are being exploited through car purchases. There have been cases of them being charged very high purchase prices for vehicles worth only a fraction of what the purchaser paid. Furthermore, the car is financed by a loan with a high interest rate (approximately 38 percent) and excessive loan fees.

Other documented examples include the case of a man who borrowed \$9,000 to buy a car and thought that he would repay a total of \$11,000 when interest and fees were added in, but found that his total bill was in fact \$21,000. A second case was a Samoan man who bought a car for \$10,000, but faced total repayments of \$25,000. In a third case a woman discovered that a car worth only about \$5,000 was to cost her \$29,000.

Reporting to the Māori Affairs Committee in May 2009, the Ministry of Consumer Affairs provided a further report on fringe lending. In one example from the report, one finance company had lent a client \$4,800, with the loan secured against \$20,000 of tapa mats of high cultural and emotional importance. Another example was of a finance company that secured a cash loan of \$2,600 against the borrower's home.

Pacific peoples' attitudes to spending

Over seven in 10 (71 percent) Pacific consumers reported worrying about spending or borrowing beyond their means. More than one-third reported not being good at saving (36 percent), running out of money before pay day (34 percent) or not paying much attention to what they spend (33 percent) (Ministry of Consumer Affairs, 2007).

7.2 Tithing and donating to churches

Introduction

Churches play a significant role in the lives of Pacific communities in the Islands and in New Zealand. For Pacific migrants to New Zealand, the church is seen as a critical cultural base and a source of social networks (Pomana, 2006; Small & Dixon, 2004). The church replaces the village structure as the place for cultural practices (Maliko, 2000; Tu'ua, 2005) and helps avoid assimilation into the dominant culture (Tau'akipulu, 2000).

The establishment of Pacific churches helped Pacific peoples put down roots in their new country (Tau'akipulu, 2000). Some of these Pacific churches are now freehold buildings representing multimillion-dollar assets of worth to their parishioners. This later extended to the formation of health and social service providers, professional associations and childhood centres (Tu'itahi, 2005).

While there has been a slight decline between 2001 and 2006 in the proportions of Pacific peoples stating their affiliation with at least one religious denomination at census time, Pacific peoples were much more likely to state such an affiliation than New Zealanders as a whole. In 2006, 83 percent of the total Pacific population stated affiliation to at least one religious denomination, compared with 61 percent of the total New Zealand population.

Among Pacific peoples, Tuvaluan people were the most likely (96 percent in 2006) and Cook Islands and Niuean people were the least likely (both 70 percent) to state an affiliation with at least one religious denomination.

Table 5 Percentage of Pacific populations in New Zealand affiliated with a religion in 2001 and 2006

Pacific ethnicity	2001	2006
Samoan	90%	86%
Cook Island	77%	70%
Tonga	92%	90%
Tokelau	91%	87%
Niue	76%	70%
Fiji	79%	82%
Tuvalu	97%	96%

Source: Statistics New Zealand

Fijian people were the only Pacific population group not to experience a decline in the proportion of people stating a religious affiliation in 2006 compared with 2001.

Pacific peoples born overseas are more likely to state a religious affiliation than Pacific peoples born in New Zealand.

Tithing

The practice of tithing is drawn from passages of the Christian bible and means payment of a tenth of one's income to the church. For Pacific peoples, the customs and origin of the practice have been culturalised and taken on several forms. Giving is less about the amount people give than why and how they give; the intent is to give out of dedication to Christ, love for fellow believers and the joy of helping those in need. The practice of tithing has a direct relationship with blessings from God (Kini, 2005; Tu'ua, 2005).

Donation

Donation is the more common practice in traditional Pacific churches such as the Methodist and Congregational churches, which are attended mainly by Tongan and Samoan people. The practice of donating varies between denominations and on the policy and practices of individual churches. The churches are solely dependent on church members to meet all expenses, such as the church facilities and minister's salary and upkeep.

For obvious reasons it is difficult to quantify the total or individual contribution (monetary and otherwise) made by church members to their local church and affiliated national and international denominational base. Examples cited include families donating at least \$300 a month for a minister's salary, contributions to the church building mortgage and contributions to the head office based in Samoa and monetary gifts for visiting ministers (Maliko, 2000).

Fundraising for local, national and international activities is also critical for churches (Maliko, 2000). Funds raised, however, tend to come from the church members directly rather than external sources.



Anecdotal information suggests that the reading out in church of individual contributions is thought to show transparency. In the Samoan tradition, for example, it relates back to the *folafolaga*, when visitors bearing gifts have them formally announced. This is conducted out of respect to the provider and to honour the contribution.

In current times, the flip side of this is the pressure on some Pacific families to give more than they can actually afford. The fear of shame makes churchgoers comply in silence despite being against it. They are powerless and have no voice (Maliko, 2000).

There is a view that churchgoers give too much of their time, money and other forms of donation (Small & Dixon, 2004). The practice of donation causes conflict within families (Tau'akipulu, 2000). Equally, one respondent, a minister's daughter, said it was hard to stop churchgoers from giving, and it sometimes felt like a competition (Kini, 2005).

Viewpoint of younger generations

Studies show a consistent message amongst the younger generation as one of 'no voice and no choice' in the running of the church and the practice of donating.

Younger people, particularly those born in New Zealand, are becoming less committed to donating to the church (Taule'ale'ausumai, 1991b and Tiatia, 1998, cited in Cowley, Paterson, & Williams, 2004).

In a Cook Island study, the youth perceived their congregation as accommodating mostly its senior members. Young adults were not involved in the decision-making processes. There was a distinct cultural, social and religious difference between themselves and previous generations (Joseph, 2005).

This was echoed in similar Samoan and Tongan studies, although the main challenge was the financial pressure to give. It was felt there was a need to move with the times and to give out of joy and for the right motives (Kini, 2005; Maliko, 2000).

Emerging responsible practices

Anecdotal information indicates that some churches are attempting to reduce the financial strain on their members, by methods such as establishing early childhood centres to generate income and reducing the need for donations once the church buildings become freehold. Such cases appear to be few and far between, but this signals proactive action taken by some church leaders.

One study recommends that financial management workshops be held in the churches (Pomana, 2006).

7.3 Remittances to family members in the Pacific Islands

Introduction

The role that remittances play in the lives of many Pacific families in New Zealand and in their Pacific Island nations is very important. New Zealand figures in the top 10 of remittance source countries. Given New Zealand's relatively small economy, it is a reflection of the impact expatriate Pacific peoples have on Island economies.

Remittances to the Pacific region (principally from New Zealand, Australia and the United States) are estimated by the World Bank to be worth over NZ\$500 million annually. Additional funds transferred through unofficial or unrecorded channels could add at least another 50 percent to the official estimate (World Bank, 2006).

Pacific peoples' practice of remittance

It is estimated that three-quarters of Pacific peoples living in New Zealand send money back to family members living in the Pacific region. Of those, half do this regularly and the rest do so for special occasions.

Individual remittances from New Zealand to Pacific countries are in the order of 5 to 13 percent of disposable income (Connell & Brown, 2005, cited in de Raad & Walton, 2008), although de Raad and Walton (2008), on the basis of patterns reported in their findings, calculate that on average, Pacific peoples remit and gift 15 percent of their income.

De Raad and Walton (2008) suggest that remittances outside New Zealand can be regarded as providing immediate benefits but also securing future benefits (such as status in one's home village and the right to share in the ownership of land and resources).

Motivating factors for remitting include:

- raising living standards of family in the Islands by providing for daily grocery needs and minor church, school and family obligations (80–85 percent of remitters cite this purpose), or after a crisis or natural disaster
- donating to churches overseas
- maintaining an interest in land or family assets
- contributing to family events
- paying for goods and services imported and sold in the host country
- investing in commercial interests in the home country, such as a corner store, taxis or fishing.

Motivations appear to be different for different ethnic groups. There are, however, gaps in information on this subject.

Fees charged by remittance service providers

The simple model of sending money home has enabled a whole industry to grow and make large profits on the back of transacting remittances. In 'clipping the ticket' to make payments between countries in the Pacific region, money transfer operators have routinely charged between 15 and 25 percent of the value of the transaction and, in some cases, even higher amounts, despite international best practice for total fees to be less than 5 percent of the amount transmitted.

The impact of the fees charged on remittances can be dramatic, particularly in relation to the small amounts sent, the purchasing power in the receiving country and the typically lower incomes of family members sending the money. Over the course of a year, the fees paid by one New Zealand-based remitter can equal more than an average weekly wage in New Zealand. Any reduction in remittance transfer costs, therefore, would result in more money remaining in the pockets of Pacific peoples, and would have a significant effect on the incomes of remittance families.

Remitters may not be aware of full fees

Remitters, in general, are unaware that there are costs in addition to the flat fee they are charged to transfer money. There are two components of the transfer cost. The first cost is the up-front sending fee. The sender can easily compare the remittance fee and shop around for the best deal, but it is not so easy when it comes to the exchange rate component.

The second cost is the foreign exchange rate spread – an important source of profit for remittance service providers. This is the difference between the price the money transfer company pays to purchase the foreign currency and the rate the company charges its customer. This is an important part of the remittance cost, which is not quoted in the up-front transfer fee. Although the sender can usually obtain the specific exchange rate to be used in a transaction, the size of the spread is not available from the sending agent and requires time and some degree of sophistication to calculate. Basically, customers are not aware of the size of the commission being charged, or what the inter-



bank exchange rate actually is. Lack of knowledge about the exchange rate therefore provides a window in which remittance companies can extract high commissions.

Regulatory improvements

In September 2008 the Financial Transactions Reporting (Interpretations) Regulation was introduced in New Zealand, enabling the financial sector to offer a two-card remittance transfer facility using the banking system's international ATM and EFTPOS networks. The regulation increased competition from new remittance products, and also transparency in the market, with information provided via www.SendMoneyPacific.org and transfer costs are beginning to fall.

Financial education needed to improve uptake of new remittance products

Overseas experience demonstrates limited take-up of new remittance products if there is not a direct link to financial education. Evidence suggests that low levels of financial capability significantly impede access to financial services and their effective use.

New low-cost remittance products can only be fully successful when consumers are empowered with the skills, knowledge and motivation to engage effectively with financial services and make informed choices. Yet programmes that promote financial capability within the Pacific community remain a low priority.

7.4 Borrowing from the Student Loan scheme

Student Loans and repayments – Pacific and all

In 2007, Pacific students made up 7.3 percent of all students who took out a loan.

The proportion of Pacific students taking out Student Loans tends to be higher than that of all domestic students. In 2007, 47 percent of Pacific female students and 39 percent of Pacific male students borrowed from the Student Loan scheme. The comparable percentages for all domestic female students and all domestic male students were 42 percent and 35 percent respectively.

In 2007, Pacific students borrowed an average amount of \$6,713 – a lower average amount than European students (Wensvoort, 2009).

In one study of Student Loan repayment, Pacific Student Loan borrowers were found to have repaid the smallest amounts of their loans some five years after their study. Pacific borrowers had repaid 4 percent of their loans five years later, whereas European borrowers had repaid 26 percent, Asian borrowers had repaid 20 percent and Māori borrowers had repaid 10 percent (Statistics New Zealand, 2008b).

In another study Pacific Student Loan borrowers (46 percent) were more likely to have made no progress in paying off their loan 10 years after study than Māori (42 percent) or European Student Loan borrowers (23 percent) (Ministry of Education, 2008).

Reasons for no or low repayments by Pacific Student Loan borrowers

Effective repayment of loans is dependent on the person's income after study. Income is affected by the level at which the person studied, and whether or not the person completed their studies.

Pacific students, on average, tend to participate in lower levels of tertiary study than degree courses (such as foundation-level courses). They also tend to have lower completion rates. Once entering the workforce they are more likely to work in lower-paying jobs and not be well placed to make progress on repaying their Student Loan debt.

It is critical that the education system supports Pacific peoples through study and successful completion of degree-level qualifications rather than remaining at the certificate level.

8. Knowledge gaps

This section notes some knowledge gaps about Pacific attitudes and behaviour towards potential sources of problem debt and related issues. The relevant literature is relatively scarce, and what there is tends to look at Pacific peoples in New Zealand as one ethnic entity. While we have attempted to identify the main sources of problem debt through the literature, we do not know the relative impact of these sources or the best ways of intervening to prevent problem debt.

Of the three main sources of problem debt discussed in the literature, the least is probably known about Pacific attitudes and practices relating to tithing and donating to churches. We do not know, for example, whether:

- the attitudes and behaviours of younger Pacific generations born in New Zealand to tithing as opposed to donating to churches are changing, and if so, how
- the economic downturn has affected Pacific peoples' practices of tithing and donating, and if so, to what extent
- and how Pacific church leaders are providing guidance on tithing and donating in uncertain economic times
- and how the attitudes and behaviours of specific Pacific groups (Samoan, Tongan, Cook Islands etc) differ in respect of tithing and donating.

Regarding Pacific peoples' use of fringe lenders, knowledge gaps include:

- whether and how the amounts Pacific peoples are borrowing from fringe lenders have changed over time
- whether Pacific peoples' access to financial information and other less expensive forms of credit has improved
- the characteristics of specific Pacific borrowers (gender, age group, religious affiliation, Island or New-Zealand-born)
- where fringe lenders get their funds from
- the extent to which Pacific peoples are borrowing from lenders of the same specific Pacific ethnicity as themselves.

Gaps in knowledge about Pacific peoples' practice of remittances include:

- the impact of the new regulatory framework on Pacific peoples' remittance practices
- Pacific awareness of new low-cost remittance products, and sources of information
- take-up of new low-cost remittance products compared with other products and services
- treatment of remittances as current consumption or an investment
- the diverse and emerging forms of remittance, which include purchasing cars from New Zealand and shipping them to the Islands, payment of Island-incurred utility expenses and financial support for the increasing number of Pacific New Zealand superannuitants who live between New Zealand and the Islands.

Continued monitoring of Pacific students' loan repayment practices over time is also needed.



Other potential sources of debt (such as court fines and use of retail store cards) also need to be identified and quantified.

There are also knowledge gaps relating to the flip-side of debt – savings. For example, we know little on Pacific peoples' saving practices, and what factors influence these practices and in what ways. Another gap is saving schemes (such as KiwiSaver) that do not collect data on the ethnicity of their customers.

De Raad and Walton (2008) suggest that the savings rate might be lower for Pacific peoples than for others because they tend to be on lower incomes and have less disposable income for savings, and allocate a portion of their incomes to remittances and church donations.

9. Ways forward

9.1 Current initiatives to improve financial literacy through education

The combination of increasing debt and insufficient savings left many families vulnerable in the recent economic downturn. This underlines the fact that more needs to be done to educate people about financial matters.

Financial education needs to be embedded into New Zealand's culture in the same way that New Zealanders know to 'slip, slop, slap' before going out into the sun, or 'buckle up' their seatbelt before driving their vehicle.

The topic of financial education has risen on the agendas and priority lists of a number of New Zealand agencies and organisations, including the Ministry of Economic Development, as evidenced by recent meetings on financial literacy at the request of the former Minister of Commerce, Simon Power. In a letter to lead agencies in December 2009, he noted that he considered financial literacy to be integral to the long-term development of New Zealand's financial sector and, in his role as Minister of Commerce, he was committed to making strong progress in this area.

There are several New Zealand government agencies undertaking financial literacy projects, and Mr Power considered that gains could be made from better coordination, evaluation and a whole-of-government oversight of these projects.

On 16 December 2009, the Capital Markets Development Taskforce raised financial literacy as an important issue in their final report. The Taskforce recommended that a formal coordination role in financial literacy be assigned to a government agency, as well as suggesting more could be done to raise the financial literacy of New Zealanders. Following a meeting with the then Minister of Finance to discuss these issues, it was agreed that he would take the role of lead Minister for financial literacy.

Pacific peoples need sufficient knowledge and skills to participate in our increasingly complex and changing financial world. They need to understand and have the ability to compare what is offered in the marketplace, to project the consequences of financial decisions into an uncertain future and to access entitlements and assistance (including new low-cost remittance products). They also need to understand how marketing operates to encourage consumers to make non-rational financial decisions.

Research has consistently demonstrated that no one financial education programme can meet the needs of everyone, and that programmes need to be customised to meet the needs of different population groups. Programmes that are grounded in the reality of Pacific families and communities and that address the specific needs they face are important. Specifically tailored programmes should

encompass the collective and spiritual contexts underpinning Pacific cultures and be based in community-developed and led approaches. Pacific peoples should also be involved in the delivery of the programmes.

Financial education programmes also need to be delivered to Pacific peoples at different stages in their lives and in a range of settings – homes, schools, churches and other community organisations and workplaces. The Families Commission will initiate a study to address knowledge gaps around Pacific families and identify promising interventions to enable families to address problem debt.

9.2 Policy changes suggested by people at the grassroots

In certain Australian states, Canada, the United States and other OECD countries, interest rates are capped by legislation at between 36 and 48 percent per annum. For an increasing number of budgetary and social groups working at the grassroots level in Pacific communities, concerns remain around the more vulnerable sectors of society who do not have access to mainstream credit, or sufficient financial literacy to insist on their consumer rights. They argue for:

➤ Capping of interest rates

The interest rates lenders can charge should be specified by law and it should be an offence to charge more than those rates. Maximum interest rates could be pegged to the official cash rate, inflation rate or bank interest rates and periodically reviewed. It is argued that this single step would end many of the exploitative practices because it is the huge – and compounding – interest rates low-income borrowers pay that cost them the most.

➤ Capping of loan fees

Consumer law requires loan fees to be reasonable and related to the costs incurred in preparing loan documents. As loan contracts are now speedily prepared using standard forms, there is no reason why uniform fee rates cannot be set to prevent unscrupulous lenders from claiming inflated costs.

➤ Making low-interest loans available through Kiwibank

Borrowers could still pay interest and the lender could still earn a profit, but the interest rate would not be excessive.

➤ The further simplification of loan documents

Credit law changes in 2005 were supposed to make contracts easier for borrowers to understand, but they are still complex, with many pages of small print. Many borrowers have no idea how much they will pay over the life of the loan – they only understand their weekly repayment amounts. The front page of the loan document should contain nothing other than the following statement in large, bold type: “You will pay a total of \$x if you take out this loan”.

➤ The introduction of strict controls on insurance relating to loans

People are often talked into taking out loan repayment insurance covering risks which do not apply to them. An example of this is a beneficiary being signed up to an insurance contract covering loss of their job.



9.3 Suggested Families Commission research

Pacific peoples currently comprise about 7 percent of the New Zealand population. They have been disproportionately affected by the recent economic downturn partly because of their youthful population, their having fewer qualifications and the decline of industries that have traditionally employed many of them. Yet, they are projected to be a significant part of the future New Zealand workforce that will be tasked with helping lift New Zealand's economic recovery.

Pacific peoples' lower incomes, combined with pressures on them to fund cultural obligations, make them more vulnerable to experiencing problem debt. Low financial literacy is also a contributing factor.

This environmental scan found few relevant studies that looked at Pacific peoples' financial literacy knowledge, attitudes to money and financial decision-making (including factors that lead to borrowing from fringe lenders). The studies that were undertaken tended to look at Pacific peoples in New Zealand as one ethnic entity, when they represent ethnically, culturally and linguistically diverse groups. There are also inter-generational differences that need to be investigated in more detail.

The Families Commission proposes to undertake a research study about Pacific peoples' knowledge, attitudes and behaviour concerning financial decision-making, including those of specific Pacific groups (such as Samoan or Tongan communities, for instance).

This study will help the Families Commission determine how we can help Pacific families to make ends meet or achieve their financial goals. The findings will help ensure future government and provider initiatives can be based on evidence about how Pacific families manage their finances and then tailor their initiatives accordingly.

The research will align and inform existing work being undertaken by other agencies, including the Ministries of Economic Development, Pacific Island Affairs, Social Development and the Retirement Commission.

10. Conclusion

The combination of government, business and household debt in New Zealand has risen from \$100 billion in 2000 to approximately \$180 billion today. The Minister of Finance recently has stated:

We have a level of debt to the rest of the world that is among the highest in the developed world and it makes this country vulnerable to a world that is less willing to lend us money. (NZ Herald, Wednesday 25 August 2010)

Pacific peoples are projected to be a significant part of the future New Zealand workforce. Their issues with low financial literacy and vulnerability to problem debt need to be addressed if they are to help lift New Zealand's economic recovery.

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Diana Crossan	Retirement Commissioner
Michi Ete	Postgraduate scholarship student
Tom Etuata	Chief Executive, National Pacific Radio Trust
Darryl Evans	Chief Executive, Budgeting and Family Support Services
Jay Farris	Ministry of Housing
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REPORT THREE

RESEARCH REPORT

TOFILAU KERUPI TAVITA, FAMILIES COMMISSION
MINISTRY OF PACIFIC ISLAND AFFAIRS RESEARCH TEAM
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Outline of sections

Section 1: Introduction

This study documents the Pacific Families and Problem Debt research. The overarching objectives are addressed through the use of three data sources: a literature review; a survey of service providers; and qualitative focus group/fono interviews with Samoan and Tongan community leaders.

Section 2: Service provider survey

These findings provide baseline measures and information specific to agencies in South Auckland that provide services to Pacific peoples with problem debt concerns. The limitations of this survey mean that the findings need to be read with caution. This section concludes with a summary and discussion of the findings.

Section 3: Qualitative focus group fono

This section describes the background and information relevant to the qualitative focus group interviews with Samoan and Tongan community leaders. An analysis of attitudes and reasons for problem debt, community responses and strategies to address problem debt, emerging and promising practices, understanding of financial literacy, awareness and understanding of service provision and barriers and enablers was undertaken from information gathered in the focus group interviews. This section concludes with a summary and discussion of the findings.

Section 4: Conclusion and implications

The findings of this study reflect the themes and issues in the literature review and provide new information specific to the attitudes and perceptions of Pacific peoples towards problem debt. The implications section has been divided into two parts. Part 1 provides key implications of the service providers survey, while Part 2 provides key implications from the Pacific focus group fono.



1. INTRODUCTION

1. Introduction

The migrant dream to build a legacy, create better opportunities for future generations and support families back in the Islands is becoming less of a reality in current times. Yet the need for Pacific peoples to fully realise their potential and contribute to the recovery of the national economy has never been more critical.

Many Pacific peoples are living in poorer households hard hit by the recession. Many also have limited financial knowledge and skills. Nevertheless, against the backdrop of a consumer-obsessed society, they are driven to honour traditional cultural practices involving cash donations. These practices, together with other spending choices, often serve to stall their hopes of accumulating wealth in their lifetime.

A common trend emerging among Pacific households is living from week to week, trapped in a vicious cycle of debt. Inevitably, for many this leads to unmanageable debt and financial strain.

Problem debt is not unique to Pacific peoples, but they are likely to be vulnerable to it because of the following factors:

- high unemployment and low-paying jobs
- low home ownership
- higher negative wealth, where liabilities exceed their assets
- living in Auckland, where the cost of living is higher
- living in multi-family households
- limited knowledge and skills in financial management.

1.1 Background

In 2010 the Families Commission undertook an environmental scan report: *Pacific Families and Problem Debt – Environmental Scan*. This report (pp. 19–48) found that Pacific peoples are more vulnerable to problem debt, but that there was little known about how Pacific families manage their finances.

1.2 Purpose

In 2011 the Families Commission initiated a study to address the knowledge gaps concerning Pacific families facing problem debt.

This study was undertaken with the Ministry of Pacific Island Affairs to identify promising intervention strategies for helping Pacific families living in New Zealand to achieve their financial goals by avoiding problem debt; and to broaden the currently limited knowledge base of Pacific peoples' understanding, attitudes, skills and behaviour regarding financial decision-making, and to contribute to a wider programme of research on Pacific peoples' attitudes to problem debt.



The overarching goals and objectives are to:

- › provide insights into Pacific peoples' and service providers' perceptions of the scope of problem debt and its impact on Pacific individuals, families and communities
- › increase understanding of the scope of services for addressing problem debt
- › provide evidence to help government agencies develop agency-specific and cross-sector initiatives to prevent and address problem debt
- › establish a foundation for further research to develop innovative and effective strengths-based models
- › provide an evidence base for policy and funding decisions.

This study includes a concise review of current literature, interviews with service providers and two focus groups with Tongan and Samoan community informants in South Auckland.

1.3 Literature review

The literature review (refer Appendix 1) focuses on two areas of study. The first is Pacific problem debt and intervention programmes; literature on this is exceptionally sparse. The second aspect of the review focuses on the cultural contexts of Pacific peoples, with a particular focus on Samoan and Tongan values concerning families, *fa'alavelave* and religion. The key findings are as follows:

- › There is limited knowledge of Pacific peoples' saving practices, and the factors that influence them. De Raad and Walton (2008) suggest that savings might be lower for Pacific peoples than for other groups because of people on lower incomes having less disposable income for savings and allocating a portion of their incomes to remittances and church donations.
- › A critical knowledge gap is an understanding of the importance of '*āiga, kainga*' or 'family' in the lives of Pacific peoples.
- › The family connection between the Islands and New Zealand is steadfast and unyielding, and brings the expectation of contributing towards traditional cultural practices. One participant believed that remittances are the biggest financial barrier faced by Pacific peoples.
- › During times of economic hardships where self-reliancy is difficult to achieve, the wellbeing of families and villages is dependent on the maintenance of familial relationships and reciprocity. When one has plenty, they will share with those who are without. In New Zealand there is security in a regular wage, whereas in the Islands, parents and families are not dependent on regular incomes (Dupuis, 2009).
- › Dupuis' focus group (2009) agreed that many traditional Pacific values remained strongly entrenched in New Zealand's Pacific communities, but that the values of parents and grandparents are increasingly being questioned in the light of their applicability and relevance to New Zealand's society, economy and culture. The value of reciprocity, though still strong, appears to be shifting among Pacific peoples who have spent a significant part of their lives in New Zealand. One participant said that if someone was in hardship, they could go to their sixth cousin for help. Today, families are becoming more nuclear, less extended.

1.4 Pacific methodologies: Cultural framework

This study uses two research methods. The first method was a survey of service providers, incorporating qualitative and quantitative approaches. The second involved two qualitative focus group fono of Samoan and Tongan community leaders. The overarching methodology in the qualitative components was an amalgam of Pacific research frameworks and a general inductive approach. The cultural framework for this study is informed by three Pacific conceptual models (refer Appendix 2).

2. SERVICE PROVIDER SURVEY

2. How services assist Pacific peoples in debt

2.1 Aims

The aims for this component of the study are:

1. Scope and develop a database of all institutions funded to provide services for budgeting, problem debt, money management and financial literacy in selected suburbs within the South Auckland region.
2. Design and conduct a survey of all providers in this region to provide insights on:
 - the scope of services, interventions and practices addressing problem debt for Pacific peoples in the South Auckland region
 - how these services address debt, including how they respond to and work with Pacific dynamics and family and cultural practices
 - common and distinct practices and principles associated with these services, interventions and practices
 - the intended outcomes of these practices and any reported impact.
3. Provide a full report including descriptive statistics on the survey data, the characteristics of service providers and descriptive insights into their practices, models of services and impact.

2.2 Method

This section describes the research methods used in the development of the organisation database and survey questionnaire. An outline of the survey design and implementation is provided, and the limitations of the survey are discussed.

2.2.1 Organisation database

Search method

A number of electronic directories were searched to identify organisations that provide services for budgeting, money management and financial literacy within the selected South Auckland suburbs. Directories used included those offered by key organisations – New Zealand Federation of Family Budgeting Services (familybudgeting.org.nz) and Citizens Advice Bureau (www.cab.org.nz). Government directories (<http://www.familyservices.govt.nz>) and health and social service directories (countiesmanukau.webhealth.co.nz, auckland.webhealth.co.nz) were also used. Others used were Yellow and White pages (whitepages.co.nz), Taropages (taropages.co.nz), www.ilook.co.nz and 2cu.co.nz/auckland.

Staff from the Families Commission and Ministry of Pacific Island Affairs and survey participants also suggested organisations.

Search terms

Terms used in the electronic search included budgeting services, problem debt, money management, financial literacy and Pacific. The searches turned up the following types of services: accounting and financial supplies, banks and services, book-keepers and accountants, credit services, credit unions, debt collectors, financial services, insurance, investment, money lenders, mortgage brokers, mortgages and loans, retirement, taxation consultants.

Government agencies such as the Department of Work and Income, Child Youth and Family Services, Ministry of Justice and Ministry of Consumer Affairs were also listed as providing financial support and advice. Electronic resources such as Sorted and national phone counselling services such as the Gambling Debt Helpline also provide financial advice.

The Ministry of Pacific Island Affairs stipulated that organisations were eligible if they provided budgeting services or financial advice. Organisations also had to be physically located in the selected South Auckland suburbs. Government agencies, financial institutions (banks) and educational establishments were excluded from this study as it was envisaged that these organisations will be involved in a future study.

Suburbs

The Ministry of Pacific Island Affairs requested information on organisations physically located in the following suburbs: Mangere, Otara, Flat Bush, Otahuhu, Manurewa and Manukau.⁸ No services were found within the Flat Bush area; therefore, the decision was made to extend the survey to include the neighbouring suburbs of Wiri, Papatoetoe and Papakura.

Identified organisations

A total of 48 organisations were found to fit the survey criteria. These organisations are listed in Appendix 3.

2.3 Survey of organisations

Using the Pacific guidelines on research practices and protocols (Health Research Council of New Zealand, 2005), a semi-structured face-to-face interview format was decided to be the most appropriate method of eliciting the desired information from participants.

2.3.1 Questionnaire development

A survey questionnaire was developed from the study aims outlined in Section 2. 1. Four questions in particular informed the survey prompts:

- | | |
|----------------------|--|
| 1. Stocktake | What types of services are provided? |
| 2. Cultural dynamics | What are the experiences of Pacific clients? |
| 3. Outcomes | How is success measured? |
| 4. Opportunities | How could Pacific families avoid problem debt? |

Previous questions from national surveys were reviewed and incorporated, including surveys developed by Asiasiga, Suaalii-Sauni, Dash and Wheeler (2009) and the Families Commission (2009). Changes were made to some of the questions and new questions were developed in order to accurately capture the required information. Written in the English language, an original questionnaire had 29 question prompts. Pilot testing, however, revealed that a significant amount of time would be required from participants (approximately 75 minutes). The number of question prompts was therefore reduced to 20. The questionnaire was reviewed by members of the Ministry of Pacific Island Affairs and the Families Commission. Refer Appendix 8.

2.3.2 Sampling frame

A non-random sampling frame was used that included purposive and snowball sampling techniques. The frame was purposive in that participants required for the study had been specified at the outset: all organisations that provided budgeting or financial advice within the selected South Auckland suburbs. A snowball sampling technique was also utilised to ensure that all the organisations had

⁸ Although Otahuhu is part of Central Auckland, it was included in this survey as Pacific peoples are the most common ethnic group in Otahuhu East and West, compared with European for the Auckland region as a whole (Statistics New Zealand, 2006a). All residents of Otahuhu East and West are admitted to Counties Manukau District Health Board Provider Services (Counties Manukau District Health Board, 2007).



the chance to be included: the research participants were asked to name other potential research participants and organisations that matched the study criteria.

2.3.3 Sampling size

A total of 48 organisations were considered to be in scope for the study criteria.

2.4 Participant recruitment and consent

The New Zealand Federation of Family Budgeting Services Inc (NZFFB) was contacted and advised of the study. This federation is a collective of community organisations committed to delivering budgeting advice to New Zealand families and individuals. NZFFB assisted by sharing information about the research with their member organisations.

The 48 organisations identified in the organisational database were sent an invitation letter (Appendix 4). This letter provided background information on the study and advised them that a research consultant would be in contact.

The researcher made contact with each of the organisations (either via phone or email) and the contact details for the appropriate staff member were gathered. A protocol was established where three attempts were made by the researcher to make contact with an appropriate staff member and invite participation.

2.4.1 Screening questions

In order to be eligible, participants were asked if their organisation addressed the issue of problem debt with their clients and whether they provided services to Pacific families. Organisations qualified if they responded yes to both questions.

2.5 Data collection

Participants were asked to specify an interview time and venue that would suit them. The interviews took place from 8 April to 6 May 2011, with the majority of interviews being conducted at the interviewee's workplace.

Each of the participants was presented with an information sheet outlining the purpose of the study and a consent form. The consent forms were signed by the participants and given back to the researcher. Examples of these forms are located in Appendices 5 and 6. Participants were asked if they consented to an electronic recorder being used to record the interview. Hand-written research notes were also made by the researcher in the interview.

It was expected that the survey would be undertaken in a face-to-face setting, but because of time constraints, organisations were offered the opportunity to complete the survey in a hard-copy format. Just two opted to complete the survey electronically. The researcher sent a copy of the survey questionnaire via email, and participants entered their responses in the Microsoft Word document and sent them back to the researcher.

2.5.1 Response rates

A total of 48 organisations were contacted either by mail, email or telephone. Thirty-one individuals from 25 organisations participated in the survey, achieving an organisational response rate of 52 percent. This was considered acceptable given that in qualitative investigations one might expect to conduct between 20 and 50 interviews for a one-to-one investigation (Wilmot, 2011).

Face-to-face interviews were conducted with 23 of the 25 organisations, with a total of 29 staff participating. Two managers sent electronic survey responses.

There may be a number of reasons why the remaining 23 organisations did not participate in the survey. These include, but are not limited to: the short timeframe posed, the organisation being out-of-scope (no current Pacific clients), the researcher being unable to make contact, participants declining to be involved in the study and participants cancelling interview appointments and attempting to reschedule outside research timeframes.

2.5.2 Survey length

The interview was designed to be completed in 30 minutes; the interviews ranged from 30 minutes to over an hour. The extended time may be attributed to the willingness of participants to extend the interview so deeper sharing could occur. Many of the participants were passionate about their work and wanted to ensure that their comments were understood by the researcher.

2.6 Mealoa and mea'ofa

A Motor Trade Association voucher was presented as a token of appreciation for the time taken by participants to share their expertise.

2.7 Data analysis

The handwritten notes and recordings taken during the interviews were reviewed. These records were read repeatedly and coded into emerging themes. Following the conventions of template analysis, a list of codes (template) was generated representing the themes found in the textual data (King, 2004). The information collected in the interviews yielded primarily qualitative data, with little quantitative information gathered.

2.8 Survey limitations

It is important to acknowledge the strengths and limitations inherent in any research design. The following limitations and strengths are relevant to this study.

2.8.1 Recruitment method: Non-participation

Not all organisations that were invited to participate did so. The search of existing electronic databases provided a comprehensive list of budgeting or social service organisations. However, despite the extensive efforts made to capture this information, it is possible that not all potentially eligible social service providers were included. Some organisations may not be registered on these existing databases.

2.8.2 Responses

The semi-structured interview style enabled participants to discuss issues they felt were relevant and important, but the limited timeframes may not have allowed all of the question prompts to be raised.

2.8.3 Generalised findings

The qualitative research focused on specific subgroups – budgeting or social service organisations located in selected suburbs – and the degree to which their reported situation and experiences reflect those of Pacific clients in other areas is generally unknown.

Despite these limitations, there is great value in the findings, as the qualitative method enables understanding of the key financial issues facing Pacific clients. This material is unlikely to be captured using quantitative methods.



2.9 Findings for service providers

2.9.1 Characteristics of organisations

This section describes the organisations that participated in the survey: the types of services offered to clients, the principles and practices guiding the working relationship and what participants felt defined successful outcomes. An outline of service-delivery processes is provided, and the section concludes with reflections provided by participants on the interventions offered.

Types of organisations

As discussed in the previous section, a total of 31 staff from 25 organisations providing budgeting, money management and financial literacy services participated in this survey. These organisations can be classified into one of two types of services: primary budgeting service (six) or social and community services (19). There was more representation from organisations delivering social and community services (76 percent) than of organisations providing budgeting services (24 percent).

Social and community organisations deal with various issues, but many of the participants shared that financial hardship is an issue often raised by their Pacific clients. Each of the participating social and community organisations has unique characteristics. Some provide services to a geographical area or suburb, for example; others provide services to particular age groups, such as youth or older adults. Others serve specific ethnic groups; some have an education, training or spiritual development focus. Others target specific health conditions or are part of a nationwide network offering advisory services.

Budgeting services affiliated to NZFFB aim to help families and individuals find the satisfaction and security that comes from managing their own financial affairs (NZFFB, 2011).

Interventions and services offered

Participants were asked what type of service or intervention they provided. The following list outlines the responses provided:⁹

- **Education and training** – focusing on how to achieve the goals of families is the best way to offer preventative skills. It is important that families take the lead in addressing their issues.
- **Social skills training** – budgeting workshops, communication and relationships training, worker readiness and healthy lifestyles workshops (including cooking classes). Wider skills and training engages with a wider group of the Pacific population and may help to overcome the stigma associated with discussing these issues.
- **Financial education and awareness raising** – via radio broadcasts on Pacific radio stations, financial articles in Pacific magazines and worksheets and handouts for clients.
- **Counselling** – for families and individuals as well as intensive case management.
- **Advocacy and intervention with other services** – banks (to stop mortgagee sales); Housing New Zealand or landlords; Work and Income New Zealand (WINZ); finance companies (reducing amounts payable per week or consolidating debts); power, phone and gas companies.
- **Budgeting plans with clients** – for example, setting up banking and recording systems.
- **Total Money Management**
- **Provision of goods** – food grants, food parcels, food and petrol vouchers, furniture, discounted clothing.
- **Inter-agency collaboration** – for example, services provided at WINZ offices to assist clients with budgeting needs and strengthening families.
- **Referral to budgeting organisations**
- **Provision of services by Pacific staff and in Pacific languages**

⁹ Social service agencies deliver a wide range of services; however, only the responses that pertained to financial advice and education were included in this section.

The range of interventions offered by the organisations varied. This may be a reflection of the contractual obligations and missions of the respective organisations. However, the range of interventions reflects the complexity of the circumstances presented by clients.

A few participants stated that they referred to other organisations as little as possible, as they themselves provide comprehensive services. Some participants based in social and community services reported that they provided minimal financial intervention and would often refer to other budgeting agencies.

A useful summary of four types of budgeting advice offered is presented by NZFFB: rescue or crisis; umbrella; custodial or Total Money Management; and educational or community education (NZFFB, 2011).

Guiding principles and practices

Many of the participating groups reported that their organisation adhered to practice standards or codes of ethics as set by their organisation or professional body. In many cases the budgeting agencies were affiliated to larger national bodies that provided training and set practice standards.

As noted by participants, important principles for successful relationships with clients include confidentiality, non-judgemental advice, active listening, support and trust.

P.I. clients look for empathetic advisors, who treat them with respect and assure confidentiality, rarely do our Pacific families want to see a staff member as they are fearful they will talk about them in the community, which of course we do not. We treat all clients with respect and we deliver a professional service, which is honest without being confrontational. Sometimes people need to hear how things are without sugar-coating the issues and facts. We are honest and believe our clients appreciate this for the most part.

Many of the participants said that they used task-centred and strengths-based approaches with their clients. Clients would specify a goal they would like to achieve and then the organisation, in partnership with the client, would discuss a plan and set tasks for both the client and worker.

In meeting with clients for the first time, I ask them 'What has brought you here to today?' Then I let them share.

Allowing them to be part of the process and not controlling the process. The client has to be involved in decision-making and feel they contributed to the action plan.

Many of the participants emphasised the need to take a holistic view when working with clients, and acknowledge their spiritual and cultural needs as well as responding to the physical, social and mental wellbeing of clients.

2.9.2 Measures of success

Participants named a range of indicators they considered to be successful outcomes for clients and their organisations.

Client empowerment

A common indicator of success was when clients were empowered to improve their own social and economic status.

An intervention is successful when clients experience an improvement in their own circumstances, whether they are now in a position to have enough food on the table, rent and bills paid and some money has been set aside in savings.



Independence

The majority of participants named ‘independence’ as an indicator of success. This was when clients were no longer dependent on organisations to resolve their issues. Other participants commented that a measure of success was when clients were connected to their local communities and not state agencies.

Where they are able to deal with their own issues and not look to others [organisations] to resolve their problems.

Saving houses and negotiating with creditors

Some participants said that the ability to stop a mortgagee sale on behalf of a client was a marker of success. Some reported that success was demonstrated when they were able to advocate on behalf of families steeped in deep financial debt. This advocacy allowed families to remain in their current dwelling, or have their power or telephone reconnected.

Success is when a client has arranged affordable repayments to the creditors, so both the client and creditor are happy. When a client can pay the rent and power and put food on the table each night ... we see this as success. Also when a client understands priorities of income versus outgoing and can follow a workable budget plan; this too is success.

Further education and training

Some participants thought success was demonstrated when clients were involved in education and training that would assist in improving their economic futures.

Where they are doing something that will help them fulfil a dream, getting a job to start off with.

Walking through the door and seeking help

One participant noted that the very fact that a client had walked through the organisation’s door seeking assistance was a sign of success. Participants discussed the courage that was required by clients to seek help regarding their finances, since it is a very sensitive topic for many and they did not want others to know they were struggling. Other participants noted that the emotional relief expressed by clients was a marker of success.

Aw, after seeing you, I feel much better now.

Skills

Participants felt that an intervention was successful when clients were equipped with problem-solving skills enabling them to make wise financial decisions.

Few repeat clients and client satisfaction

Some participants said that success was demonstrated when very few families returned seeking additional financial help. Others noted the efforts made to reduce the number of repeat clients, where they attempted to help the clients to become self-dependent.

Other indicators of success were when clients were happy with the service they received. A few participants noted low staff turnover as a sign of organisational success.

Service evaluations

A few participants commented on success being measured in service evaluations. One organisation contacted their clients after six months and asked how things have worked out for them. Other organisations had incorporated an evaluation tool called results-based accountability (RBA). Referrers and family members of the clients would be contacted and asked to evaluate the service provided.

Long-term visions of success

Some participants discussed long-term success indicators, including a future where families are debt-free and relieved of financial burden. Those who commented noted that while this could be a slow process, it is an achievable goal.

Success is where every family has a job, owns their own home and all their needs are met.

Summary: Measures of success

The organisations offer a range of primary and secondary intervention and prevention services that address the needs of clients along the full length of the ‘face of the cliff’. The immediate attention given to the client who walks through the door is an important feature of their practice; this is where the emphasis on creating a strengths-based environment begins. For many Pacific clients, their initial contact with these services is often delayed and at a critical point as regards their debt. The advocacy role undertaken by the providers is a crucial aspect of the intervention process.

There are three key levels on which the organisations operate their services to achieve their visions of long-term success. The first is provided by the overarching guidelines of principles and practices; a task-centred, strengths-based, holistic approach. The ethical principles of their profession include confidentiality, non-judgemental advice, active listening, support and trust. A second tier of the service is the provision of the tools of empowerment and independence in the form of skills, education and training. A third level is quality control, monitored through client satisfaction surveys and evaluations of services.

2.9.3 Service delivery

This section provides a summary of organisational processes as outlined by the participants.

Referrals

Participants reported that clients either accessed their service of their own accord or were referred by other agencies. Many of the budgeting agencies noted a significant increase in the number of Department of Work and Income referrals when budgeting plans were required in order for clients to be reviewed for specific grants. Many thought this was a positive strategy as it gave clients the opportunity to explore their financial affairs with agencies that had the skills and expertise to assist them. Other referrals came from organisations such as Housing New Zealand, local Members of Parliament, the Department of Courts, schools and Child, Youth and Family Services. One participant mentioned that loan finance companies were referring clients.

Many of the participants reported that clients who had self-referred stated they had purposely sought out the organisation on the basis of positive feedback others had provided. Some clients had heard about the service from radio advertisements, mailers in the letterbox, newspapers or their children’s schools, and recognised that the service was situated close to their home. An interesting point raised by a few participants was the physical distance travelled by some clients. One service provider located in Mangere reported that they had clients who lived in West Auckland.

Some of the participants revealed that they exceeded their contractual obligations. Some organisations were funded to provide services to a set number of clients or to a specific geographical region. Despite being aware of their restrictions, however, the participants expressed their desire to assist those who were in dire need of support services.

We are funded to provide services to 400 clients; however, we have 501 clients on our books and we are still seeing more.

Operating hours

The majority of services operated during working hours (Monday to Friday, 9am to 5pm). A few organisations, however, had reduced hours or days (such as 9am to 1pm, Monday to Thursday). One organisation reported that their service was open for three hours on a Saturday each month.



A few managers stated that, in special cases, staff members were able to meet with families after-hours or in the weekends.

Waiting times

Some participants commented on the time from the initial referral to meeting with the clients. Some organisations were able to see their clients immediately, while others had a wait of three or four weeks after the referral was received.

Current waiting time for service is between three to four weeks due to high demand for service and new Work and Income policy changes to hardship grants.

Staff

Some of the organisations employed Pacific workers and cultural elders who were fluent in their Pacific languages or able to understand the cultural dynamics of Pacific families. The ability to speak a native language can contribute positively to worker-client communications. Some participants commented on the advantages, such as the ability for workers to build rapport and trust with clients.

Appointment times

The length of appointments with clients varied between organisations. Some participants said that an hour to an hour-and-a-half was set aside for the first meeting, which allowed the organisation to gain an understanding of the issues facing the client and family. Some said they undertook an assessment whereby clients' needs were rated as high, medium or low. This assessment determined the level of resources required to assist the client.

We meet with our high-risk clients two to three times per week and our lower-risk clients approx once weekly.

Some clients did not require follow-up, but others did need further support. Follow-up sessions would be arranged, and the length of these meetings varied from 30 minutes to 45 minutes.

The majority of clients would present themselves to the organisation. A few organisations offered home-based or school services, where workers would meet with clients at the family home or school.

Engagement length

Some participants worked with clients until an issue had been resolved. This could range from the initial meeting to a few months. Others met with their clients over a long period, such as two to three years. One participant shared that she had worked with a client for nearly three years until the client felt they had gained enough control over their financial affairs and was happy to manage on her own.

We only exit clients when the individual client feels ready to self-manage. We always confirm with clients who exit that we are only a phone call away if they need further support. We also provide a 0508 freephone budgeting service for follow-up support or questions etc. And our staff follow up with every client two weeks after they exit and again at six weeks as a courtesy call to see how things are for them.

Many participants stated that they would encourage clients to continue with their service if their issues had not been satisfactorily resolved or if other issues had arisen. One participant stated that their service did not terminate the relationship with their clients as the health needs of the clients would require ongoing assistance.

Cost

All of the participating organisations reported that there was no cost to clients. One participant from a social service organisation reported that families were encouraged to provide a small donation for a specific cause, but this was not forced upon them.

Summary: Service delivery

Clients accessed the service providers either by self-referral or referral by other agencies. A positive aspect of agency referrals was that the clients also had the benefit of exploring their financial affairs with agencies that had the skills and expertise to assist them. Many of the self-referred clients had accessed a service because of positive feedback from others or a range of media advertising. An appealing factor was the close proximity of the service to their homes, though some clients would travel outside of their area. A significant issue for the providers was that they were delivering in excess of their contractual numbers and often to clients living outside of their geographical area.

The majority of services operated Monday to Friday (9am to 5pm), while a few had reduced hours or days. One organisation was open for several weekend hours each month, while others were able to meet with families after-hours or in the weekends. The waiting times for clients ranged from an immediate visit to three or four weeks after a referral was made, reflecting a high demand and new Department of Work and Income policy changes to hardship grants. There is no cost to clients.

Some organisations employed Pacific people who were fluent in their Pacific languages or were able to understand the cultural dynamics of Pacific families.

The length of appointments with clients ranged from an hour to an hour-and-a-half for first meetings. Some organisations undertook an assessment of the client's level of need and risk. Follow-up sessions would vary between 35 and 40 minutes. A few offered home-based or school services. The length of engagement with a client could range from one visit to a few months and in some cases to two or three years depending on the extent of the client's need.

2.9.4 Reflections on interventions

Need for behavioural changes

Many of the participants stated that they could only provide advice to clients and show them alternative ways of managing their personal finances. Any intervention or advice would only be successful if the client was willing to make the behavioural and financial changes.

Participants provided examples of success stories, but a number reported that a client who had had a financial issue solved would return a few weeks later with a similar crisis. One participant with over 10 years of experience in the budgeting sector noted:

...just providing a budgeting sheet to a client does not work; people will not keep to it.

In attempting to assist clients with their financial issues, the majority of services required their clients to provide bank statements, a list of debts and outgoings, statements from creditors or debtors and income statements from employers or the Department of Work and Income. Many of the participants reported that clients had often misplaced or thrown away these financial documents.

Engagement with other organisations

Many participants noted that a client's chance of accessing entitlements from the Department of Work and Income increased when a professional from a budgeting or social service organisation was present at an interview and advocating on their behalf.

Similar comments were made about creditors who were willing to adjust their financial arrangements with clients if they became aware that an external budgeting or social service agency was working with the client. Many of the participants said they would have to go to great lengths and plead on behalf of the clients that they be given another chance. Some noted an increase in the number of mortgagee sales due to families being unable to repay creditors. Family homes were often used as collateral and later sold to recover the debts owing.



Relationship between low income and risky behaviour

Many of the participants appreciated that the management of a person's financial affairs is a very sensitive and personal topic, and has wide-ranging implications. Many noted the relationship between the mismanagement of finances or insufficient income and issues such as problem gambling, alcohol and drugs, domestic violence, separation and divorce. In terms of the relationship between money and family violence, a few participants were adamant that the core issue was the inability to communicate effectively about money, rather than a lack of money.

Overseas interventions

One organisation had attempted to provide an educational programme in a Pacific Island nation. Their organisation wanted to educate Pacific peoples about the realities of living in New Zealand before their arrival in the country. These education sessions covered a range of issues including financial and personal living situations.

Total Money Management

One organisation offered a 'Total Money Management' system. This type of service is offered to clients who are unable to manage their own finances. In this process a client would sign an agreement with an organisation to obtain and disclose personal financial information. Their income would be deposited into the organisation's holding account. The organisation then manages the finances according to an agreed budget with the client.

One participant discussed how a client's debts would be paid before an allocated amount was given to the client to meet their other expenses. They said their clients rated it as effective. Clients are willing to remain on this system as they can see their debts are being slowly repaid and they are learning to live on the remaining funds. As noted by the NZFFB (2011), the client is provided every opportunity to learn how to take responsibility for handling financial affairs. Clients can also opt out of this system at any time.

Impact of national disasters

Some participants spoke of the influence of the Christchurch earthquake and the re-allocation of resources to those affected by the earthquake. Comments were raised about the lack of national housing. Others spoke of the pressure upon Pacific families to house family members affected by the disaster.

Response to Pacific budgeting workshops

An interesting point raised by one Pacific participant was the response from Pacific families to budgeting workshops. After a presentation was delivered on a national Pacific radio station, much interest was expressed by Pacific listeners. Many called the organisation's phone line and asked for advice. When offered the opportunity to attend workshops at the organisation, many said they would attend; on the day, however, very few showed up. The participant reflected that the poor attendance might be attributed to people's pride and not wanting others to find out they were experiencing financial difficulty.

Role of research

All of the participants acknowledged the role of research and generating knowledge in the development of appropriate policies. However, some Pacific participants were scathing of the role of research commissioned by government agencies. Comments were made on the vast number of research projects and fono that had been completed. It appeared to them that government agencies had already set agendas and were only involving communities to 'tick the box'.

Summary: Reflections on interventions

Key issues from these discussions included the need for behavioural change with regards to the personal management of finances and related documentation. Pacific providers attributed poor attendance at budgeting workshops to Pacific clients having a sense of pride and not wanting to be seen as being in financial difficulty. A point of concern was the perception that research conducted by government agencies had predetermined agendas and that the research was a box-ticking exercise.

Some providers believed that there was a relationship between low income and risky behaviour and domestic violence, whereas others felt that family violence was an issue of poor communication rather than a lack of finances.

2.9.5 Factors that contribute to problem debt

Participants were asked to explain why Pacific families were experiencing problem debt. The overarching factors they felt contribute to financial strain include cultural influences and expectations (values, priorities, families, churches); personal characteristics (language comprehension and a lack of understanding of contract terms and conditions); inability to meet repayments on credit purchases (high interest rates, easy access to money or goods); finance companies, car companies and mobile shops; debts to others (electricity, gas, telephone, rental arrears, district court costs); debts incurred by others (being a guarantor); low income (changes in income, ill health, disability, job losses); the rising cost of necessary items; and overcrowding.

2.9.6 Cultural influences

Participants were asked whether there was a difference in the issues facing Pacific clients compared to non-Pacific clients. A few participants stated that there were no differences.

In regards to problem debt the issues are the same across all clients from ethnic groups. People are losing jobs; they don't have enough money to pay for the basic necessities. Every family has weddings, birthdays and funerals. People go to church and give money.

Many of the participants responded 'yes', however, when asked whether there were differences between Pacific clients and non-Pacific clients. The expectation placed upon clients to uphold cultural practices had a negative impact on the wellbeing of the client and family.

The most commonly mentioned cultural events included funerals (held either in New Zealand or the Pacific Islands); weddings; birthdays; sending money back to relatives in the Pacific Islands; special events (haircutting ceremonies, *misinale*); and church events (such as the opening of a new church).

Yes, very much so. There are cultural differences, often religious viewpoints differ and so our Pacific clients tithe more often and at a higher rate to the church. Plus supporting the families back in the Islands is often a pressure for our Pacific Island clients.

Values and priorities

Many of the participants commented on the cultural values expressed by their Pacific clients including love; service, expressed by helping families out; respect for God and ministers of the church; generosity and giving; pride; trust in others; and shame. The majority of participants referred to the rich essence of Pacific culture in families. Many also noted, however, that adherence to cultural practices becomes a financial issue when the decision is made to prioritise these cultural events over providing for basic needs, such as food, shelter, transport and clothing.

They give everything rather than what's left over.

Our traditions, our values and our rituals, their places of origins had the best intentions to help people; it's for the survival of villages, for the maintaining of relationships, but in this century we as people have made it something it wasn't originally designed for. So what that does, is when you try and apply that in especially the New Zealand context, is that it doesn't work because you



can't go into the backyard now and kill a sheep or pig, prepare it and give it to your relatives that come all the way from Tokoroa as part of their, oh, here's some food to take back to the family back home, thank you for coming and sharing with us in our grief; nowadays it's ... you've got to give them the boxes of corned beef, you've got to give the barrels of the actual cow itself and money to go with it. So I think a lot of the, our rituals and our traditions, have been misplaced and what they were originally created for is not what we are seeing in terms of practice, but we call it our culture.

Families

Many of the participants also commented on cases where their Pacific clients were expected by senior family members (such as chiefs or family heads) to give a set amount towards an upcoming event. This amount would be decided without attention to the family's financial situation.

Churches

It was noted by many participants that belonging and fully participating in churches was important to their Pacific clients. A few commented that some churches encourage members to give what they can. The majority of participants, however, thought that church organisations and ministers exacerbated the debt problem. Some churches publicly announce the amounts donated by family groups. This places further pressure as families do not want to lose face in front of their church members, so they aim to give more than they can afford.

I have to say that one of the biggest problems for Pacific Island clients who are in debt is the churches; they feel honour-bound to give regular donations to their church, and because in most experiences from clients that have raised issues with me, is that they are publicly acknowledged for what donation they give and they feel duty-bound to make it as high as possible because it reflects badly on them if their family or them as individuals can only give a low level of donation to the church. Because it's a regular thing, it's like a debt, an ongoing debt, and it's one of the biggest problems for Pacific Island clients at the moment. It's not just them but it's mostly them when it comes to debt, it's mostly their compulsion and that need to actually give like a tithing ...but I do understand that a tithe requires a regular donation out of your weekly income and it's not based on what you can afford always, as clients have told me, it's a set amount, or you're given an amount, a target; what they do is that they pay that before they pay their rent, water, power, food, medicine, schoolbooks, so it's really difficult for people.

Many clients apparently believed that their God would assist them despite the circumstances they were facing.

2.9.7 Personal characteristics

English as a second language

English is the second language for many of the Pacific clients. Participants reported that detrimental assumptions are made about people who can carry a conversation in English, as their ability to carry out an everyday conversation does not equate to a full comprehension of the English language.

We do acknowledge people have special needs. English is a second language, and people say they understand me; just because you speak it doesn't mean you understand it or comprehend any part of the discussion. So in getting people to appreciate that because a Pacific Island man or lady has had a good discussion with someone and has ... it doesn't mean to say that they've understood everything involved, because quite often they'll say yes, and nod their head, because they consider that's polite; it's culturally appropriate to say yes and nod your head, 'cause that's right; it doesn't mean yes I agree with everything you say, although that is what the outcome of it is, their culturally appropriate behaviour.

The majority of participants reported that most Pacific clients did not understand the terms and conditions of contracts they were entering into. They were not aware of their own responsibilities as specified in the contracts, and the potential consequences of not keeping up with repayments.

They get shocked and angry and abusive when a repossession man comes around with all right on his side to repossess goods because they've put them down on a list that says chattels or collateral, and when you explain to them that means that if you don't pay on time they can come around and pick those up, they don't believe you; they don't understand it and they don't accept it, but they've signed it. You tell them you signed, promising it, even when you have one of your team who speaks their language come in and speak to them and explain, they don't accept it.

Why can someone come and take my car when I haven't paid it for a month? Or why can they take my furniture when the car's gone as well?

Desperation

Few participants reported that some of their Pacific clients did understand and were fully aware of their rights and responsibilities concerning the consumer contracts they signed. Some clients were so desperate for money that they would choose to enter into an agreement with a finance company.

Some people are so desperate for cash or goods that they sign up and plead ignorance.

They're in a hurry to get access to the funding for whatever reason it is, so they sign off without even giving a second thought to what could happen next.

Difficulty in saying 'no'

The majority of participants reported that Pacific clients struggled with the advice given to either limit the amount given or say 'no' to extended family, church or community events. This was an emotional and spiritual struggle.

Pacific peoples find it very difficult to say the word 'no'; no to children asking them to be guarantors, no to people knocking on their doors asking them to buy a good or service or no to the church pastors.

Another participant observed that rather than say no, some Pacific families would either move out of the area or to another church to avoid the financial expectations.

Rather than deal with the possibility of being ostracised either by their churches or their extended families they would rather go through the courts.

Some vote with their feet. Rather than saying 'no' they move away, either out of the area or move to another church because of the expectations.

Attitudes towards debt repayment

Some participants reported that Pacific clients believed that the financial arrangements with creditors were flexible.

Oh that's the other thing, you know, their commitments to [a creditor for an amount of] \$200 a week, aw well, I need money for something, like a donation or support for birthday so I'll just give \$50 for the debt repayment this week; they don't understand they've got to pay \$200 every week, and it's not the finance companies' fault they've decided to spend the rest of the money on something else.

Why doesn't me going to a funeral in the Islands take precedence over paying back my loan?

Many of the participants felt that their clients' attitude was that their debt issues would be resolved in the near future.

What they think is that it will go away, and that's common across all ethnic groups, that the debt problem will go away, because I'll be better off next week. I won't have so many bills so I'll put \$50 on it.



Living within their means

The majority of the participants acknowledged core basic needs: food, shelter, transport and clothing. A common theme that emerged was the inability for clients to live within their means. Many participants shared how Pacific families had overextended themselves financially, getting into positions where they carried high levels of debt relative to their income. Some of this debt was incurred by the purchase of items classified by participants as 'wants' rather than 'needs'. One spoke of cases where Pacific families purchased motor vehicles through finance companies and then shipped them over to the Islands, while they were receiving very low wages and could not afford these vehicles.

2.9.8 Inability to meet repayments

A common issue raised by participants was the inability of clients to meet the repayments on their personal loans or goods purchased. Loans from finance companies, car companies and mobile shops were often noted. There was very little mention of major banking organisations; the families were not borrowing funds from banks, which have markedly lower interest rates.

The majority of participants commented on the relative ease with which clients (most often beneficiaries or low-income earners) were able to access multiple loans from various finance companies. Some reported clients who had accumulated almost \$25,000 worth of debt from different finance companies. The high interest and penalty rates incurred are thought to be a contributing factor to Pacific problem debt. The clients had very few assets or barely enough income to cover the repayments and interest charges in addition to providing for their basic needs.

Some participants from both budgeting and social service agencies commented on cases where clients had overpaid their loan amounts to finance companies. The clients were unaware that this had occurred as the companies had arranged bill-payment authority with their banks; many of them did not keep a copy of the contract outlining the pay details. The finance companies had not ended the payment arrangements, and this information only became known when a staff member raised questions with creditors.

Advertising

Many of the participants commented on the tailored advertising strategies by finance and car companies. These include advertisements on Pacific radio stations in Pacific languages. Some organisations had prominent Pacific role models advertising their services. Slogans such as "It's okay if you've got bad credit, no driver's licence, we'll help you" were commonly quoted by participants.

Society has added to the size of the problem. Some kids and parents don't have a licence, but you can buy a car. Society has a lot to answer for.

Many clients purchased items on credit that they considered 'affordable' when the goods were advertised as being only a set amount per week. They did not fully understand the total costs involved over the length of the contract.

In a similar scenario, a few participants noted that clients were not fully aware of the total financial cost involved in maintaining purchased goods. In one such example, a client who had purchased a large motor vehicle was unable to keep up with the running costs such as petrol, repairs, warrant of fitness checks and car registration costs.

Debts to others

Many participants said that being in arrears on rent was a common issue for their Pacific clients. Many clients informed the participants that they were facing eviction from their rental homes. Some families also owed money to power, gas and telephone companies.

Some participants noted an increase in debts to the Department of Courts. Many clients had accumulated significant debts for driving without a licence, breaching driver-licensing requirements or driving an unregistered and unwarranted car.

Debts incurred by others

Many stories were shared by participants of clients who were left with large debt when family members defaulted on their repayments. Some of the participants recalled instances where elders were being financially abused by their children and grandchildren.

And one of the saddest things that is happening is that people are involving their parents, their elderly parents, and getting them into debt, and on occasion there has been an elderly couple who are in their seventies, Samoan, come here, never been to school, couldn't read or write, worked hard in labouring jobs and had a debt-free home and property, then their son and daughter-in-law got them to sign some documents as guarantors; they skipped out on all the loans they had and left the parents with no option but to sell their home. They lost everything and are now living in pensioner flats, so that's like, one of the hardest things. It's hard working with Pacific Island clients who are elderly. It's hard because it's hurtful. I feel personally hurt on their behalf.

These teenage grandchildren knew when their grandparents would receive their benefit and would take the EFTPOS card and withdraw all the cash.

The extent of elder abuse is unknown. One participant who works predominantly with Pacific elders stated that their organisation did not see many instances of elder abuse.

Low income and rising cost of necessary items

Many participants remarked that their clients did not have enough income to cover their living expenses, especially with the rising costs of goods and services including food, petrol and rent. The majority noted that their clients were either receiving government benefits or earning low wages. Some organisations reported an increase in the number of middle-income families accessing support.

Overcrowding

Some participants commented on the financial burden felt by Pacific families who were providing accommodation for other family members. Some of these relatives had been in New Zealand less than two years and therefore were ineligible for government assistance. Other family members were unable to afford private rental and were on the waiting list for government housing; some were housing relatives affected by the Christchurch earthquake. In some of these households one income would be covering the living expenses of two or more families.

Personal family members

Some participants noticed that family members also contributed to the financial debts of clients. Cases were reported of family members instructing new migrants (with whom they were living) on where and how they could access personal loans and goods from finance companies. One organisation reported that a recent migrant had accumulated almost \$40,000 worth of personal debt in less than two years.

Attitudes towards financial entitlements

The majority of participants agreed that most people at some point need some form of support to assist them out of hardship. Many of the organisations aim to provide clients with the tools to help them regain independence or achieve a certain standard of living. Many of the participants recognised that society and government have a role to play in providing this support. However, financial supports such as the benefit provided by the Government are designed to help families to meet their basic needs. It was not designed to be a lifestyle income.

Gambling and pokies

The influence of gambling and pokie machines was rarely mentioned by participants as a contributing factor. This does not mean that it does not contribute to Pacific families' problem debt, however.



Summary: Factors that contribute to problem debt

The term 'cultural events' in this component of the study is an attempt at an English translation of the Samoan term *fa'alavelave*. The concept of *fa'alavelave* is complex in undertaking and in description. Milner (1996), in his dictionary of the Samoan language, defines it as anything that interferes with normal life and which requires special activity. The special activity refers, amongst other things, to the process of reciprocity.

The three overarching factors contributing to problem debt are cultural influences, personal characteristics, and the inability to meet repayments.

Cultural events such as funerals, weddings, birthdays, remittances and ceremonies relate to rites of passage and values: love, service, respect for God and church ministers, giving, pride, trust, generosity and shame. These are potential causes of problem debt, especially where family finances are prioritised towards fulfilling cultural obligations instead of providing for basic necessities.

A second concern was the pressure put on Pacific clients by senior family members to contribute a required amount of money towards a cultural event without considering the financial situation of the client and their family. The Pacific clients struggle with the idea of limiting an amount or saying 'no' to family members, church or community events. Some churches also place pressure on families with their practice of announcing the tithings for each family during the service. To maintain their integrity, families are compelled to contribute more than they can afford.

Personal characteristics refers to behaviour and language ability. Many clients cannot understand the formal and technical language used in contracts. As a result they are not fully informed of the terms and conditions of the agreement that they are entering into, including their responsibilities concerning repayments. On the other hand, there were clients who understood their agreements but out of a desperate need for money would sign a contract with a finance company.

Many Pacific clients inevitably access service providers because they are unable to make their repayments. One underlying cause is that they believed that the financial arrangements with creditors were flexible, or that their debts would be resolved in the near future. A common situation amongst the clients was their inability to live within their means. This was often exacerbated by the ease with which loans could be given; debt incurred by other family members; living in multiple-family environments where there may be one regular income earner or benefit recipient; increasing living costs against low income; and the possibility of gambling behaviour.

2.9.9 Reflections on Pacific clients

Presentation

The majority of participants noted that clients accessed their services at crisis points: some were facing eviction, others were having their household items and cars repossessed; some families were facing mortgagee sales. Most of the participants commented on the clients' emotional state at their first meeting.

Often they are in a state of tears, angry, upset or distraught.

Clients commonly felt overwhelmed by their situation. Many of the participants commented that clients' stress was alleviated when they were able to share their issues and know someone would work alongside them and advocate on their behalf.

People come in very distraught, and upon leaving say that this will be the first time I can sleep in months.

Many participants described their services as being 'at the bottom of the cliff'. They felt that clients would seek financial help at very late stages where the chances for successful outcomes were drastically reduced.

Gender

The majority of participants reported that females would seek advocacy and financial support on behalf of their families. Some commented that while a male partner might sign up to a financial contract, the female partner would be expected to administer the finances. Some participants mentioned an increase in the number of males (especially single fathers) accessing their services.

Age

The majority of participants reported that the age of clients ranged from 20 to 50 years old. A few participants said they provided services to the younger age groups (under 20s) and older age groups (over 50s).

Ethnicity

Participants were asked to comment on the proportion of Pacific clients accessing their services. The responses ranged between all, most and some. An outline of specific Pacific ethnic groups could not be gathered for all participating organisations because of time constraints, and only a few organisations were able to provide this data. Some participants did comment on the effects of inter-racial relationships and the growing number of mixed-ethnic clients they were seeing.

2.9.10 Opportunities to resolve problem debt

Participants were asked what they thought could help prevent Pacific families from getting into problem debt situations. A wide range of strategies were commonly reported, including those listed below.

- Education: families, schools, Pacific leaders, churches, communities; adapting styles of education; motivation and goal-setting
- Prioritising finances according to the New Zealand context: revisiting cultural and church obligations
- Developing social skills: assertiveness
- Revisiting access to easy credit and finance
- Intervening at an early stage
- Raising awareness in Pacific Island nations
- Raising awareness of financial supports available
- Alternative ways of doing things
- Service providers

The majority of participants agreed that problem debt could be avoided if families could live within their means; where they are able to organise their spending, they can achieve their financial goals.

Education

The majority of participants felt that families needed education about budgeting and money management. Specific suggestions about the sorts of changes were raised.

Sites where participants thought financial education could be encouraged were the family home, schools and churches.

Family home

Many participants commented that the family environment is where a person has their first experience of money management. Children watch and observe the choices made by their parents. These experiences can have a positive or negative influence. The role of parents was seen as crucial in developing good financial habits.



Generally if your parents are heavily into traditional churches, then a young person's experience of money is, they see Mum and Dad talking about money coming in, money that has to go out to family obligations, that Samoans call fa'alavelave; they see money going out to the church and often that means there's an opportunity cost of what's lost, is that because of that there's no money to buy stationery or buy a proper school uniform, or even things as basic as lunches or pay for the power bill, because other things take priority. I think our understanding or perception of money is already tarnished or tainted in that it's not good to have. If you don't have it you don't survive.

The greatest gift a parent can give is time. And sometimes it's time to explain money, time to explain why I've loaned uncle \$200 this week. He said he'll pay it back 'cause they never explained that to you. They just do it.

Schools

Many of the participants emphasised the need for budgeting and financial skills to be taught in primary and secondary schools. Comments were made about the ability to translate this learning into real-life practical situations.

I think schools need to teach and have ways to teach better financial literacy, rather than just the pure algebra and all those things.

Numeracy and literacy are big issues for us. If you want to go to get a loan from a bank, overdraft to open up a student account, are you able to carry out the conversation? It's not about the reading age, it's about life skills, understanding the forms. Numeracy competency is not, I don't [think] this is taught at a level that it's real-life stuff: example – hourly rate versus lifestyle I want to live.

Pacific leaders and churches

Pacific leaders, including church ministers and family chiefs, were named as key role models who could assist in raising awareness about financial issues and strategies.

I think that one pathway is to target Pacific Island leaders, groups and places of influence. Those who have influence upon people and raise awareness about these issues; hopefully they would influence their people (eg churches, sports coaches). Raise awareness about the impact of these problems and promote better choices.

Use of media

Many participants commented that Pacific media was a valuable tool for raising awareness. Some organisations currently offered financial advice on Pacific radio stations in both English and Pacific languages. One participant writes financial articles for a Pacific magazine.

User-friendly information

Participants agreed that education for Pacific communities needed to be presented in ways that Pacific peoples could understand and relate to. Suggestions included having Pacific people present financial education in their own Pacific language, perhaps in interactive sessions involving practical real-life examples. Some participants suggested having Pacific people who had experienced and overcome problem debt share their real-life testimonies. Others said that clients needed to understand the profit motives of private finance companies. Many highlighted the need to teach people about their rights concerning contracts and their financial obligations.

Not enough emphasis is placed on responsibility and their obligations when they're entering into some kind of financial arrangement; they skip over the difficult parts, or the parts they don't really understand.

Motivation and goal-setting

An important feature of helping Pacific families achieve a state of financial wellbeing would be identifying their dreams for their future. Setting goals was considered an essential financial skill by most of the participants.

Many of the participants discussed the desire their clients had to provide the best possible life for their children. Children were regarded as key motivators for families to improve their financial situation.

Revisiting expectations of culture and church in the New Zealand context

A common theme that emerged in the interviews was that Pacific families need to revisit their cultural expectations, considering the needs of their families within the New Zealand context. Many Pacific families are strongly committed to traditional practices of supporting extended family and community events, whether they are held in the Pacific Islands or in New Zealand. They attempt to recreate the protocols expressed in the Islands and apply them in New Zealand. This was creating more pressure, however, as families prioritise cultural events over their daily needs. Many participants stated that families need to prioritise food, shelter, transport and clothing before money is allocated to other expenses.

I think what it needs is a ... whole of society needs to make a change. Our families and our village groups need to be able to make changes around the expectations they have on families when it comes to traditions and rituals that won't compromise the heart of those traditions, but it does allow people to participate in their communities without feeling that they're unable to give as much as someone else.

Attempts to shift ingrained cultural practices will be challenging and will require courage and determination.

It is always going to be an individual challenge for everybody, around is it not honouring my parents, is it disrespecting my parents? Or is [it] about doing the right thing? And you've got to make the decision for yourself.

Change has got to happen from within. Family groups, village groups, they have got to be open, I guess a lot more open, to the realities. Yes we can still have fa'alavelaves but this is how we will collectively agree how we can be part of the fa'alavelave but not get ourselves, not getting our families into more debt. It's the same with churches. This is around how we can still be God's people in the world, but this is how we can also encourage our people to save, be part of the church environment, contribute to the church. It's where parents hopefully can also make, if those pressures aren't there, they might be able to make better decisions for ... their kids.

Negotiating the cultural context

Many participants felt that their Pacific clients needed to be assertive and confident in saying 'no'.

Those are the things we talk about, people who knock on the door, no, an instant no. Even if it sounds good, it's better off if you say no straight away, other than listen to their spiel, or their talk because somewhere along the line there's going to be something that they've touched on that you've wanted for a while and because it's cheap, or, well, you think it's cheap because they're offering you \$10 a week but in the long run you're taking that contract out for about two or three years when you can buy that same product say four or five times and you've only bought it once. That's the breakdown I do in those talks that I do.

Many of the participants commented on the perceived consequences of refusing requests from others. These requests could be to give money, sign as a guarantor or purchase material goods. Some Pacific participants commented that the potential consequences of saying 'no' included being cursed, ostracised and labelled a *fia palagi*.

For me I've had to be stubborn, I've had to risk being called fia palagi, and unfortunately some of my relationships with my first cousins are probably distanced because of that. But I'm comfortable with that. I'm comfortable with the fact that I work hard, work smart, I hope and I'm



able to live a lifestyle I want to live. If I want to get some dental work done, I can get it done. My parents have to wait until they go to line up at a hospital at six a.m. to get it plucked out, and I don't want that.

Raising awareness for new migrants

Many participants spoke of the cultural and financial adjustment of new migrants to New Zealand society. New migrants are especially susceptible to problem debt if they are no longer employed and cannot receive a benefit.

Participants noted that there are no programmes to help migrants' transitions into New Zealand society. Some participants observed that new Pacific immigrants learn about money management from the Pacific families they live with in New Zealand. For some this was a positive experience; others, however, were encouraged and taught how to access finance companies and loan sharks to purchase cars and furniture.

Many participants suggested that it may be worthwhile to educate people in the Pacific Islands of the pressure faced by families living in New Zealand.

I think a lot needs to be mentioned to those families back home [in the Islands], that they are putting a lot of pressure on these families here, that they are expecting money to be sent back, because I'm having a lot of clients share that their last penny was being sent back and their family here are struggling, even to put food on their tables, so they come here, because we've got a foodbank here.

Reviewing access to easy credit and finance

A common theme that emerged in the interviews was that access to loans from finance and credit companies needs to be reviewed. Large proportions of clients were receiving benefits or on low incomes, yet were able to borrow loans from these companies. Often these loans attracted high interest and penalty rates. Some participants could not understand why finance companies considered benefits as an income.

Many participants reported that their clients had multiple loans from different finance companies. It is unclear whether these finance companies were aware of the existing loans from other companies. Some participants commented on the role of government and the need for legislative change.

I think there needs to be legislative changes around how easy it is to access money ... we know Pacific people struggle, but we'll still allow these loan sharks to give them money...

Support through the loan process

A few participants noted that it may be better to have a translator, budgeter or even a delay before a loan is approved. This delay might give the family time to review their ability to afford the goods desired.

Cap on loan amounts

Among the suggestions raised by some participants was a limit on the amount that could be borrowed by people on benefits or low incomes. Those on benefits would be unable to access further loans until they had repaid what they owed. Other participants suggested that an interpreter and budgeter be involved in the process, and that the final amount granted be dependent on the outcome of an assessment.

In one case, a participant shared that a local finance company would ring their organisation to determine if a client was in a position to be able to afford the loan repayments.

Recognising the signs of problem debt

A common desire that emerged from participants was for their clients to seek help at an early stage. Participants likened their own situation to "being an ambulance at the bottom of the cliff".

Many would prefer to work with a family and resolve an issue before it escalated to a more serious problem.

One participant described these early signs:

When you haven't got any money to buy food, or power is going to be cut off, or their rent hasn't been paid or the landlord says 'you're out'. As soon as they realise they're going into debt and can't afford the most basic things then they should come in for help and we can intervene at that point and help them through that problem.

Up-skilling and re-skilling

Many of the participants believed that further training or better employment opportunities would help improve the social and economic status of Pacific families. They reported that many of their clients were either receiving benefits or working in low-paying jobs. A few clients were self-employed and experiencing financial hardship in the current economic environment.

This is going to address many of the key things right now, creating employment, and as you go down this road, all roads lead to Rome, and Rome is creating employment. It doesn't matter about our health, it doesn't matter about our housing, it doesn't matter about all those things because if we don't get employment, all of those things are going to mean nothing, and when I say employment, I mean new employment. I would rather see our people lead the charge with that, and I want to see our young Pacific people become entrepreneurs.

Awareness of entitlement to financial support

Many participants felt that families were unaware that they might be entitled to government assistance, and they suggested raising awareness of this support. Many Pacific clients did not know that they might be able to access their KiwiSaver funds under the hardship provision, for example. Participants acknowledged the usefulness of these funds for assisting Pacific families experiencing problem debt.

Cost-saving strategies

Many of the participants spoke of how Pacific families could save money from doing things differently. One participant described the use of Skype to call family members in the Islands. There is no cost, apart from the internet charges, which are far cheaper than the rates charged by telecommunication companies. Other participants noted that the preference for traditional foods could be costly – potatoes are much cheaper than taro. Others discussed the option of purchasing goods and services from second-hand shops, rather than buying expensive items from major trading stores.

Learning from experience

A few participants commented that although there are various preventative measures to support families experiencing problem debt, some people may only change their behaviour after experiencing the consequences of unwise financial decision-making.

Workforce capability and responsiveness

There was a mixture of responses regarding the cultural and language skills of workers. Some stated that it was important for service providers to be of the same culture as the clients; other participants, however, noted that Pacific families chose not to access ethnic-specific services out of fear that members of their Pacific communities would find out about their personal financial affairs.

Some participants highlighted the need for service organisations to coach families to independence, so they would no longer be reliant on a number of organisations to do things for them. One suggested a reduction in the number of providers, and that organisations be provided a broader scope to address all the needs of families. Many participants spoke of the need for staff to engage in active listening, hearing what the client is sharing, as well as being up front and honest about what services could and could not be provided.



Some participants said there was a need for more funding from central government for community and financial services. They spoke of the need for organisations to provide services at a time and place appropriate for the clients (at their home, for example, or on weekends).

Two participants thought that many of the issues facing Pacific communities are similar to those facing Māori, and that Pacific projects and strategies could benefit from aligning with Māori projects.

2.10 Discussion of service providers: Key findings

2.10.1 Factors contributing to problem debt

In the light of increased socio-economic difficulties brought about by the economic downturn and the complexity of problem-debt-related circumstances for many Pacific peoples, community-based organisations are a critical lifeline for many families.

The findings underlined the need for a task-centred, strengths-based and holistic approach when working with Pacific clients. Meeting spiritual and cultural needs was recognised as an important part of the holistic view. They also highlighted the role of church and culture as major contributors to problem debt. There is an implied distinction between the spiritual and religious institutions. There is also the implication that culture may contain elements that are conducive to the maintenance of holistic wellbeing. This is an example of complex ideas requiring a cautious analysis and interpretation. What is apparent is the urgent need for more information and understanding of the contributing causes of problem debt, as well as the elements in institutions that resonate in a positive sense with Pacific peoples.

2.10.2 Cultural currency

Reflection 1:

The cultural practice of reciprocity presents two challenges. One is the excessive financial demands of senior family members for contributions without due care for the financial situation of the client's family. A second is the misinterpretation of the underlying values of reciprocation, the consequences of which compromise the integrity of the practice.

It is important to understand why it is that aspects of culture intended to promote wellbeing are viewed as contributing factors to problem debt. Because culture has been identified as a cause, its values and practices need to be revisited and understood in terms of their primary meaning against the meanings attributed to it. It is therefore important to have a general understanding of the significance of reciprocity to give detail to Samoan and Tongan clients' cultural contexts.

Reflection 2:

Pacific peoples find it emotionally and spiritually difficult to limit their contributions or to say 'no' to families, church and community events. They prefer to go to court rather than be ostracised by families and church members. Accommodating family members in their homes is an added financial burden. In some households the living expenses of additional family members are covered by one income earner. Family members who default on repayments will impose the responsibility on other family members. Pacific elderly are one group of people who are vulnerable to financial abuse by their children and grandchildren.

There are perceived consequences of refusing requests to give money, sign as a guarantor or purchase material goods, including being cursed, ostracised and labelled a *fia palagi*.

Pacific families exist in relational communities. Cultural beliefs, language and practices reflect and support an interconnected view of the world. The family is the central focus of identity and belonging. Individuals are therefore socialised into roles of responsibility oriented to the wellbeing of their immediate and extended families. Cultural events such as funerals, weddings, rites of passage and bestowal of family titles, where the practice of reciprocity takes place, are of great importance because they are the focus of gathering for extended family groups. The extended family comprises branches of families connected to a specific lineage and common ancestor. Each branch may comprise two to 10 families, or more. Families, or in most cases, their family leaders, will decide the contribution for each family. Contributions are both financial and in kind. The total sum of family contributions will be that branch's contribution to the event. Representatives of these branches will often travel from overseas to attend the event. The reciprocating process has two practical purposes. Firstly, it establishes, consolidates and strengthens familial relationships. Secondly, the contributions of the extended family serve to lighten the burden of resources for the family that owns the event.

The term 'reciprocate', while it describes the transfer of resources between families in the form of gifting and acknowledgements, does not capture the depth of meanings associated with the distribution and redistribution of familial resources. The Samoan term *teu* means to adorn, or beautify. It gives completeness to the families. Every contribution is meticulously recorded; the family owning the event will use these records to *teu* the family branches who had supported the undertaking through their contributions. A percentage of monies, boxes of food and fine mats will be given to each branch. At the branch level, the heads of these families will redistribute a portion of the resources to each family according to their contribution.

This process is not premised on the idea of profit and loss, borrowing or repaying. Eventually every family, whether their occasion is a death, a wedding or a significant birthday, will have their turn as recipients of their extended family's support. The saying 'my day today, yours tomorrow' describes the Samoan understanding of how difficult it is to make a living: today I have something to share; tomorrow when I have nothing, we will benefit from what you have to share.

The pressure on individuals and their immediate family is both financial and a deeply felt responsibility to support the kin groups of both their parents. What has become problematic, as noted in this study, is that cultural understandings and traditions have become 'misplaced'. Families compete to give the most and expect a large share of what is contributed back to the families. The integrity of extended family leadership is questioned when resources are redistributed unfairly. The implication is that the process of reciprocity has become exploitative.

The family is the site that nurtures values, beliefs and practices. It is also the site of activity and decision-making where changes occur.

2.10.3 The church

Reflection 3:

The systems of tithing in some churches, including practices such as reading out family contributions, put pressure on family resources and integrity. To avoid loss of face families tithe large amounts of money at the expense of other household costs and expenses. Underlying the church system is a theology whose interpretation legitimises these practices and perpetuates attitudes, behaviour and expectations among ministers and the church leadership.

The biblical reference to tithing translates in today's churches to 10 percent of income earned. Some churches' tithing practices are shaped by this scripture; others encourage their congregations to give what they can afford. There are also churches teaching that the more one tithes, the greater the blessings one will receive. There are churches that include cultural practices of reciprocity as part of church practice. There are others that do not, and there are some churches that do so selectively or in moderation. Our findings note three problem areas in the practice of some churches:



the reading out of tithed amounts; families feeling honour-bound to tithe large amounts; and God's assistance for those facing difficulties. One of the interesting aspects of the first two practices is that they are not informed by biblical text but by culture, and in this context an interpretation of culture that advantages the church institution. The public announcing of tithings can cause families to lose face; honour is maintained by not being the family that contributes the least. In some churches, the congregation tithe towards the upkeep of the minister and his family. The tithings are announced during the church service, meaning that the minister and his family are present to hear the amounts donated by each family, thereby placing added pressure on some families to donate well. The findings note that some families set aside their tithes before paying their bills; this is one way they can potentially incur large sums of debt. From the churches' point of view, the guiding principles within a religious organisation are based on a theological understanding of correct relationships between God and members of the church, the minister and his congregation, and the minister and God. These relationships also have cultural significance. In many Pacific communities, the minister is the representative of God; the voice of the minister becomes the voice of authority within the church. Some ministers subscribe to theologies that are liberative and empowering, while many employ doctrine that is dogmatic and authoritarian.

2.10.4 Attitudes towards debt

There is a critical need to understand attitudes and behaviour amongst Pacific clients. The findings provide a range of experiences describing two different situations relating to problem debt for Pacific clients. The first are the ways in which culture and the church draw on the limited financial resources of families, often resulting in families incurring large amounts of debt. In the same scenario, families are donating to the church. The reasons as to why some families remain with the same church and others leave need to be understood. Another area where family finances are allocated is remittances to family in the Islands. A point of interest is that remittances are not specifically identified as a cause of problem debt. In many families money is sent to island homelands to support immediate and extended families. The remittances are also sent to support their participation in family, church or village events involving contributions and reciprocity. There is a need to understand whether there is a significant difference in the way in which cultural events in Samoa and Tonga are managed compared to practices in New Zealand.

Reflection 4:

The use of specialised language in contracts prevents Pacific peoples from fully understanding their obligations concerning repayments and the consequences of defaulting. Advertising strategies, particularly by finance and car companies through Pacific media, attract Pacific peoples to purchase items without understanding the terms or the total costs involved over the length of the contract.

Family events will take precedence over most things. The findings note an example of clients buying a car to send to Samoa following a change in legislation to switch from left-hand drive to right-hand drive. Media advertising in Samoa and New Zealand offering tailored packages and encouraging relatives to send cars to Samoa was very prominent at the time. This situation raises questions about the influence that media from Pacific homelands has on motivating or compelling families in New Zealand to participate in national events occurring overseas. A client's question on why a loan repayment should take precedence over the need to attend a funeral is a clear illustration of the tensions that exist between what is valued and given priority, and what can wait.

Reflection 5:

The attitude of Pacific peoples towards problem debt was that financial arrangements were flexible. They also believed that their financial situation would improve, and that their debt problems would be resolved. Associated with this is the ease with which Pacific peoples can access loans.

The findings show that the inability of Pacific clients to make repayments, and their tendency to recognise the consequences too late, often results in provider organisations managing crisis situations from ‘the bottom of the cliff’. The similarity of behaviour and attitude where Pacific clients access budgeting services at crisis points, and where Pacific health consumers present at emergency clinics when their health condition is at an advanced stage, may be of significance to future work.

2.10.5 The effectiveness of intervention services

While there is an extensive range of intervention services, including Pacific workers and cultural elders employed in some organisations, there are significant information gaps that require further exploration in order to respond better to the diverse cultural experiences presented by Pacific clients.

The success of interventions that are dependent on the willingness of the client to make behavioural and financial changes is limited by the fact that church and cultural environments must also examine their roles, theological approaches and interpretations of cultural values in the light of present-day social and economic realities for Pacific peoples. The example of a client who had one issue resolved and who returned with a similar problem suggests that, while the client may be willing to make changes, other factors in their environments may also need to be addressed.

While it was indicated that clients found Total Money Management programmes to be an effective way of resolving debts, more information as to how this might lead to empowering Pacific clients would be useful. Similarly, more detail on the implementation of overseas interventions, such as the incentive behind the intervention programme, its impact on those who received the training and their families, their relationship to New Zealand communities and the challenges to and strengths of the programme would also be of significant interest.

Reflection 6:

Many Pacific clients are on benefits or are low-income earners, and they often don't have enough to cover the rising costs of necessary items such as food, petrol and rent.

The apparent relationship between insufficient finances and issues such as family violence, and the alternative view that family violence is caused by a lack of communication as opposed to a lack of money, are not mutually exclusive. The presence of family violence in a Pacific home is an indication that cultural values and Christian beliefs have failed to maintain respectful relationships. It also indicates that the cultural processes for negotiating tensions and differences within the family are absent.



3. QUALITATIVE FOCUS GROUP FONO

3. Pacific focus group fono

3.1 Introduction

3.1.1 Purpose of the research project

This section details the qualitative component of the research project, which was conducted with Samoan and Tongan community leaders.

3.1.2 Aim of the research project

The aim of this component was to undertake focus groups with Tongan and Samoan community leaders to explore:

- understanding of financial literacy, prevention and early intervention and overcoming debt
- enablers and barriers
- understanding of delivery models (eg government, community-led and church-based services, and the reach of these services)
- emerging and promising practices including community ‘grass-roots’ responses
- responding to and working with Pacific cultural dynamics and practices
- intended outcomes of these practices and any reported impact.

3.2 Method

This section describes the methods used to gather and analyse the data. It also discusses the limitations in this study.

3.2.1 Questionnaire development

Open-ended questions and probes were designed using the aims outlined above and six issue-focused zones:

- Zone 1: Understanding of, attitudes toward and reasons for problem debt (with particular emphasis on cultural influences, factors and understandings)
- Zone 2: Community responses and strategies for addressing problem debt:
 - the role of the church
 - the role of families
- Zone 3: Emerging and promising practices
- Zone 4: Understanding of financial literacy in Pacific communities
- Zone 5: Awareness and understanding of service provision
- Zone 6: Barriers to service provision and enablers of seeking help (Appendix 8)

3.2.2 Recruitment

Purposive selection was used to recruit participants for the Samoan and the Tongan fono groups.

It was initially intended that two fono groups – young leaders and older leaders – would be conducted for each of the two participating ethnic groups. The Families Commission (FC) and Ministry of Pacific Island Affairs (PIA) agreed that the initial idea of conducting two focus groups for each ethnic group would need to be reviewed because of time constraints. As a consequence, the



two focus groups were combined into one group each of Tongan and Samoan community leaders. The obvious disadvantage was that data gathered from the discrete age cohorts would be diluted; it was also considered, however, that combining both age groups provided an opportunity for an exchange of experiences and views, and that this approach would provide rich data.

The age range in both focus groups was 21 to 70 years.

Participants comprised older and younger men and women, some in full employment in government and non-government agencies.

Samoa: Ten Samoan community leaders participated in the focus group fono. Some participants were in part-time jobs, including a 21-year-old male Samoan university student. Others included an elderly woman and a retired male school teacher.

Tonga: Six Tongan community leaders participated in the focus group fono. Participants included a retired Tongan-born man.

3.2.3 Participant information sheet and consent

Participants were provided with an information sheet (Appendix 5). The study was explained to them and questions raised were also answered. Consent forms were not used. An indication of interest was considered to be an appropriate protocol for this study. Attendance on the day signified informed consent.

3.2.4 Ethics approval

Ethics approval was obtained from the Families Commission Research Ethics Committee on 29 April 2011.

3.2.5 Data collection

The Samoan fono was conducted mainly in English, although a couple of participants used both English and Samoan. Contributions in Samoan were translated into English after the fono proceedings were transcribed.

The Tongan fono was conducted primarily in the Tongan language. Throughout the discussions, one of the fono participants translated some of the traditional Tongan terms into English. These terms are central to the research topic and are discussed in more detail in the analysis section.

3.2.6 Meaalofa and mea'ofa

Each participant was presented with a voucher as an acknowledgement of their sharing of information and expertise.

3.2.7 Data analysis

A general inductive approach was considered appropriate for this component of the study. Thomas (2003, p. 1ff) notes that using an inductive approach enables:

- extensive and varied raw text data to be condensed into a brief summary format
- clear links between research objectives and the summary findings from the raw data to be established
- underlying structure of experiences or processes evident in the raw data to be developed into a model or theorised.

Other benefits of this method are that:

- Analysis is guided by the specific objectives in the question zones.
- Analysis can both be deductive and inductive so that findings are derived from both the research objectives and directly from analysis of the raw text data.

- Categories and key themes emerge rather than being imposed.
- Research findings are derived from multiple interpretations (taking into account the role of researchers' assumptions and experiences).
- A range of techniques can be used to assess the validity of findings, such as:
 - comparison with findings from previous research
 - triangulation within a project
 - feedback from participants
 - feedback from users of the research findings.

3.2.8 Research limitations

The very short timeframe presented a challenge to the collection of data, particularly in the areas of existing and emerging strategies and practices, where the opportunity to supplement the community leaders' fono was again limited by time. A useful approach would have been to conduct in-depth and possibly multiple interviews with Pacific church leaders and key Pacific community stakeholders to bring to light other important issues and strategies relevant to Pacific practices, whether resulting in, coping with or resolving debt.

3.3 Findings: Key themes

Two major factors that were identified as contributing to debt in some Tongan and Samoan families and amongst Pacific communities were the impact of giving to the church, and other traditional cultural practices of giving.

Both these factors are discussed throughout the key themes:

- debt is a problem
- impact of the church
- cultural competitiveness contributes to debt
- Student Loan scheme
- debt is a consequence of 'consumerism' and 'materialism'
- need for new ways of empowering communities
- urgent need for financial literacy among Pacific communities
- intergenerational changes to debt among Pacific communities.

3.3.1 Debt is a problem

The majority of participants in both the Tongan and Samoan community leaders' fono were aware that debt is a problem affecting Pacific communities in New Zealand. However, a small number of participants argued that the problem is not debt, but rather the inability of some Pacific peoples to manage their repayments of debt. Before entering into the discussions on this issue, it would be useful to highlight what the concept of debt meant to the fono participants.

Understandings of what debt is

Several fono participants provided the following explanations of how some Pacific people find themselves in debt. Of interest is that these experiences are related to the acquisition of consumer products:

- Debt is when the want exceeds the need.
- Debt is a problem when a person lives beyond their means.



- › Debt is when people have gone and got things on hire purchase without really understanding the consequences.
- › Debt is what happens when people have gone and got things on hire purchase and ended up with bad experiences.
- › Debt is when someone goes and gets things on credit and then doesn't pay.
- › Debt is when young people get credit cards.
- › Debt is when people borrow from Peter to pay Paul.

Debt not unique to Pacific peoples

The majority of Tongan and Samoan participants agreed that debt is a problem among many Pacific communities, but in the light of the fact that the literature highlights the over-representation of Pacific families in debt situations, some cautioned that debt or indebtedness isn't a phenomenon unique to Pacific peoples. As one Samoan-born man opined:

Debt isn't the problem... I believe the challenge is the management of the repayments, because when you can't afford the repayments that's when you fall into debt ... that's when you come under the radar ... and debt then becomes a problem; that's when it becomes a real challenge.

3.3.2 Impact of the church

Several participants stated that the church is one of two major reasons why many Tongan and Samoan people get into debt. Some older participants suggested that giving per se may not be the cause of problem debt, but rather that the traditional Tongan and Samoan practices of giving may be a significant contributing factor.

Changes and differences in the practices of some churches

Some participants acknowledged that different church denominations have different practices regarding giving to the church. For example, a Tongan-born woman who had lived in New Zealand for over 38 years said she belongs to a church where tithing is the norm and believes

... it is a good idea because no one else sees what you put in the envelope for the church.

In this situation, people who would probably give more than they could afford because of peer pressure would be able to give only what they could afford to give to church.

The idea of giving to the church discreetly was explained by a Tongan-born man who noted that changes were occurring in his Tongan church with regards to tithing practices:

I think that's the practice [tithing] and we have been doing that for a while ... sometimes giving much shows who you are and that could be a generational thing. Sometimes there is a bit of that showing off who you are and what you can give ... but there are changes in my own church, for example, putting the donations in envelopes ... these may be small changes but very important.

The above reference to giving as "a bit of showing off who you are" was also echoed by an elderly Tongan man who had lived in New Zealand for many years. He referred to the attitude of giving a lot as a "standoffish attitude" in the context of giving in relation to the Tongan concept of *mafana*, which means enthusiasm or warm feeling. *Mafana* is discussed further below. That some Tongan people give as a way of expressing aloofness or 'showing off' is perceived as an interesting characteristic of a person who gives to the church.

Church falsely blamed for debt

There was general consensus among participants of both the Tongan and Samoan community fono that some denominations of various Pacific churches have been blamed for some Pacific peoples getting into debt.

...but I think the Tongan church system practised in NZ pledges beyond their need.

An elderly Samoan-born woman, who believes in giving to the church as a person's choice, said the church has been erroneously blamed by some people as a contributing factor for people's debt problems. She said she knew of people who did not give to church, but would spend their money on unhealthy activities:

I know some people go to the casino ... they gamble and lose their money and then come back and blame the church, especially our EFKS. I am bringing that up because I am from that church. They are blaming the church for things that aren't the church's doing.

Others also pointed out that some people may be blaming the church when the people were spending their money at other places such as the casino.

...there are people that blame the church when they don't have money while they go spend their money at the casino. (Older Tongan woman)

Giving to the church an individual's choice and responsibility

While several participants blamed the church as a major contributing factor to Pacific peoples getting into debt, most participants in both the Tongan and Samoan fono emphasised the importance of the role of the church in the lives of Pacific peoples. Several participants stated that giving to the church is a person's choice. An elderly Samoan lady in her late 70s opined:

My understanding and practice is I give to the church what I can afford. The church can't come and demand hundreds of dollars ... you don't have to give what you can't give nor afford. I give what I can give.

Similarly, a Samoan-born man, a former government employee, said giving to the church is:

...an individual's choice, so you can't blame the church because if you have the resources then it's up to you to budget and prioritise your needs, because you should only give what you can.

Traditional practices of giving to the church

Most participants shared their personal understanding about traditional practices of giving to the church. A Tongan woman who had lived in New Zealand for 38 years said:

...things are simple for us in Tonga ... but here, I don't know, it's too much.

Many fono participants agreed that giving to the church was a major contributing factor to some Pacific peoples getting into debt; others believed traditional values and cultural practices concerning giving in the New Zealand context were the major contributing factor.

The thinking of a Samoan-born man who agreed that –

...the church may have contributed to the debt situation many Samoan people are in ... cautioned that it is also important to acknowledge that the current practice of giving to the church to be blessed and enriched...

– may be contrary to the traditional values that underpin the Samoan principles of *fa'aaloalo* and *ava fatafata*, which refer to mutually respectful face-to-face relationships. These Samoan concepts, according to some participants, evoke and underpin the traditional Samoan values of giving and sharing among Samoans in the past. These traditional Samoan principles, as well as the traditional Tongan concepts of *fai fatongia*, *kavenga* and *mafana*, which invoke traditional Tongan values and pride in giving, are discussed in the next section.



Role of the church minister

An elderly Tongan-born man who acknowledged “we have thrashed the church tonight” also explained:

...for me the church needs to attend to the whole being of the person, body, mind and soul... I can't believe that a minister in a congregation doesn't know the situation of each family ... he has to know but he probably closes his eyes and doesn't respond to the need of the people.

3.3.3 Cultural competitiveness contributes to debt

Tongan principles of *fai fatongia*, *kavenga*, *mafana*

As noted earlier, the second contributing factor (mentioned by several participants) to indebtedness among many Tongan people is the effect of Tongan values and traditional cultural practices. Several participants of the Tongan community fono argued that the three Tongan concepts of *fai fatongia* (or expectation), *kavenga* (responsibility) and *mafana* (enthusiasm or warm feelings) are contributing factors to Tongan people incurring debt.

Fai fatongia: an expectation that a person who pledges to donate something should fulfil that expectation. An elderly Tongan-born man, who is critical of the traditional practice in the New Zealand context, said he disagrees that *fai fatongia* is

...an obligation that you are supposed to fulfil.

He said it is about time to talk about a shift in this traditional Tongan practice because when you fulfil the obligation you then face the consequences:

I have staunch views about my cultural practices for us as Pacific Islanders ... we have levels of obligations: one to the church, even though it's a freedom of choice. Another priority is I need to have money if I have to fai fatongia. Those are the things that force us to blindly do things.

Another participant said some of the traditional concepts relevant in the Tongan context, such as *fai fatongia*, may have been simple in Tonga but here, are too much. She said now that

...all the elders in her kainga are gone... I now put things in perspective. For example, I tell everybody bring a chicken and I delegate duties ... no need to ask for money all the time because not all of them [family members] can contribute money, so I say bring your tapa cloth and sausages, so long as everybody is together, so I think things are easier and I don't think it's a problem. For my family, if one of my own children gets married I take responsibility and other family members just support while I am the main factor ... the role model. (Tongan-born woman)

The second Tongan traditional concept of *kavenga*, or responsibility, was discussed in the context of the role of the church and the church leader. One participant said

...competing among ourselves [to give to the church] has become a contributing factor to debt.

The same participant noted that his church minister should be aware of the situation of the families and church people.

Another participant suggested that

...at church you would move quicker in status if you give generously. Kavenga has been the practice that we have been doing for some time ... giving much shows who you are and that could be a generational thing.

The third Tongan concept shared by many participants is *mafana*, which means enthusiasm or ‘warm feeling’. It was the cause of much discussion and amusement among fono participants. *Mafana* was aptly described by one Tongan-born woman as

...a feeling when you can't control yourself ... you forget about tomorrow and you pledge that your family would contribute \$3,000 and you know it is your word ... sometimes it is difficult.

An elderly Tongan-born man explained *mafana* as:

It doesn't happen every week or year but there will be certain times when the mafana makes you promise this and promise that and afterwards the mafana is gone and you have to live with your words. That's when the debt comes up as a problem ... you can't go back on your word.

Another Tongan-born participant shared her experience as:

...when the mafana comes out the priority should be how will I fulfil my mafana against my children's school fees and other important things ... budgeting instead of cooking taro, it's a way of budgeting and what will they be eating.

Samoan principles of *fa'aaloalo* ma le *ava fatafata*, *totoma*

As mentioned earlier, the Samoan terms of *fa'aaloalo*, or respect, and *ava fatafata*, which refers to mutually respectful face-to-face relationships, were discussed by some Samoan fono participants as concepts that evoke Samoan values of giving and sharing among Samoans in the past. *Fa'aaloalo* and *ava fatafata* traditionally invoked mutually respectful relationships.

For example, in the context of debt: a participant considered the Samoan custom of borrowing food such as sugar or salt from a neighbour when there is a need, as a form of debt which he would one day repay, if and when the need is reversed. He said when it was his turn to give back to the neighbour, he would normally not just give back what he had borrowed earlier, but would give back much more than what he got from the neighbour. The participant argued that giving more to his neighbour is part of his *fa'aaloalo*, or respect, to honour his neighbour by giving more than he got. He said that was his experience of the kind of borrowing which was practised by Samoans in the past.

The same participant also explained his personal experience growing up in his own family in Samoa:

...you don't owe anybody anything because of the faasamoa, at least from how I was brought up, was the idea that you have what you have today and we can share it because tomorrow it would be my turn to share.

He added:

...owing things was not a concept Samoans are familiar with and so we lack skills to repay debts... I remember when we were growing up the idea that if we don't have salt, you could send someone next door to get some salt ... it was rather the concept of sharing rather than borrowing. (Samoan-born male participant)

A Samoan-born woman referred to the concept of *totoma*, the practice where someone who finds he or she needs a fine mat for a *faalavelave* or an unexpected obligation would go and *totoma*, or borrow, from someone who might have a fine mat. The practice involved asking someone who has a fine mat if they could borrow it, with an implicit mutual expectation that when that person needs a fine mat, the roles would be reversed and they would come and ask the borrower. When that happens, the person who borrowed the fine mat would reciprocate, and would normally give the best mat in their possession. This concept of *totoma* was also shared by other older participants who noted that it equates to borrowing in the modern context.

3.3.4 Student Loan scheme

Some participants acknowledged that the Student Loan scheme enabled many young Pacific Island people to study at tertiary institutions because their parents weren't able to pay for their fees.

Other fono participants also noted that Pacific students are getting into trouble with debt via the Student Loan scheme. A Samoan woman who works for a government agency that provides support for Pacific people who get into domestic violence said that Pacific youth are getting into trouble with debts:

...Student Loans have also become a huge problem because they add so much pressure on some of our Pacific families.



A Samoan-born male participant, an employer whose company provides financial literacy and numeracy programmes for many young people including Pacific youth, explained:

Financial literacy and numeracy skills are lacking among many of our young people and that's what we want to address. We also have to teach them to be money-wise ... youth don't have the skills. We have to support people who, under social pressure, get to do things that get them into debt.

3.3.5 Debt a consequence of ‘consumerism’ and ‘materialism’

Some fono participants were critical of some younger people in serious debt situations because of their materialistic lifestyles. The Samoan-born employer who works with many young people, including Pacific youth, said many Pacific young people lack financial literacy to understand the consequences of getting into debt:

We support young people to acquire literacy and numeracy skills which many of them lack ... we also have to teach them to be money-wise ... they have become materialistic, which is also human nature ... they feel they have to have this and this ... then they come under social pressures and get to do things that get them into debt.

A 21-year-old Samoan male participant stated that other than a few students who manage to secure scholarships to pay for their tertiary studies, many Pacific young people are getting into debt through the Student Loan scheme and also through the ‘culture of materialism’. He said one of the challenges for Pacific students is to do with their lack of financial literacy skills – some rely solely on the experience of their mothers and fathers for guidance. He said whilst he had a part-time job to support his university studies, along with the help of his parents who both work, he knew of many young Pacific peoples in his own network of colleagues who were finding themselves in huge debt. He said it was unfortunate because some of those who get into problem debt as a consequence of Student Loans and their materialistic ‘self-centredness’ later find that their indebtedness comes up when they apply for jobs because some employers conduct background credit checks on candidates.

3.3.6 Need for new ways of empowering communities

Whilst the discussion has identified some challenges and provided explanations as to why some Pacific peoples and communities are saddled with debts, there were also some strategies shared by fono participants on ways to empower Pacific communities to be able to respond to money pressures.

One of the themes from both the Tongan and Samoan fono is the intergenerational differences in Pacific attitudes and practices concerning debt. Not surprisingly, several of the younger participants at both the Tongan and Samoan community fono were aware of the need for their parents’ generation to understand that life in New Zealand is quite different from their Island environments.

Some of the traditional Tongan values and practices discussed above were thought by some younger participants to be major contributing factors to family debts. There were also acknowledgements by many older fono participants that some of the younger generation of Pacific peoples living in New Zealand are saddled with personal debts.

3.3.7 Urgent need for financial literacy among Pacific communities

There was strong support for the need to promote financial literacy and numeracy among Pacific peoples. Some strategies for giving, whether to church or other cultural obligations, should lead to empowering rather than enslaving. A Samoan-born man said that when older Samoans give something they also give their blessing, and that’s why giving in the traditional Samoan custom is different.

3.3.8 Intergenerational changes to debt among Pacific communities

Generational differences in attitudes to cultural practices

Although the above traditional Tongan concepts were mentioned by many participants at the Tongan fono as major contributing factors resulting in Tongan communities getting into debt, there was also an acknowledgement that the practice in relation to debt was generational, and practised mainly by the older generations who had brought traditional practices with them from the Islands.

Several participants stated that there are generational differences in Tongan people's understanding of debt. Whilst there was consensus that many Tongan people experience problems with debt, several participants shared how some families have devised strategies to avoid getting into debt because of traditional cultural obligations.

For example, a Tongan-born mother of three children whose parents still live in Tonga said people have to look at different ways of doing things now that the older generations are gone and because of the realities of living in New Zealand:

The role model in the family can change the way of collecting family dues for faalavelave. What's the point of giving money to faalavelave, and how about the children? Children need shoes and things that's necessary ... we, the new generation, we can make changes.

Young people moving away from traditional practices

A few participants suggested that some Pacific young people are moving away from traditional Pacific values because of the pressures of cultural practices. A young Tongan male participant stated:

Younger people are moving away from our traditional ways because of the pressures they have seen their parents go through... I think our younger generations are starting to move away from our old cultures and practices ... at church you would move quicker in status if you give ... but it doesn't apply to my situation.

Another Tongan-born male participant shared his experience of the pressures that some older migrants from the Islands encounter, which can provide challenges to some Pacific families and communities:

Our parents recently migrated from Tonga and don't understand the importance of money here ... we need to give some and leave some for tomorrow ... and when they come here they see other people with money who give a lot so they also want to give a lot...

A Samoan-born employer who said his family was also stuck with debts when he was growing up said he always wondered why his parents would always say "we can't afford things". But those social pressures affected young people: he said that while he concedes his family went through social changes, the younger generations don't necessarily understand culture and obligations, and now his generation is seen as materialistic:

Sometimes the faasamoia is confusing and the question I faced was: How could I change? I now don't want to be in debt and I don't like people to borrow money that they can't afford. It's a different culture and different way of doing things ... I now have to save money to pay for my daughter's education ... my parents' choice was to give us opportunities but got into debt in the process.



3.4 Discussion of focus group/fono key findings

3.4.1 Understanding debt

Three of the key problem areas noted by service providers were spending in excess of income, not managing repayments effectively and not understanding the consequences of breaches of contracts. With the exception of fringe lenders, which is an issue that can be resolved through education in financial literacy and other measures of support, the first two points raise questions as to why Pacific peoples spend beyond their means and why they default on their repayments. The literature singles out several potential sources of problem debt: tithing to the church; remittances to families back home; fulfilling obligations of reciprocity; and accessing fringe lenders. The case of accessing fringe lenders can be viewed as both a cause and an effect of debt. Would Pacific peoples access fringe lenders if they were not in situations of extreme debt or financial need? The assumption is that debt and financial need are the primary reasons for accessing fringe lenders. Setting aside the issue of fringe lenders, the immediate focus of interest rests on culture and the church.

3.4.2 Languaging debt and responsibility

The findings show that there is general agreement on the issue of debt being a problem affecting Pacific families. A second viewpoint is that the problem is the inability of some Pacific peoples to manage their debt repayments. The difference of opinion between these two points of view is where responsibility for problem debt and its repayment lies. The distinction is important because a clear message of responsibility and who the responsibility sits with needs to be promoted. The phrasing of the first point suggests that debt in itself causes debt. The second opinion emphasises an obligation to make responsible lifestyle decisions.

3.4.3 Culture and the church

The findings show that aspects of two foundational institutions of Samoan and Tongan societies – culture and the church – have been identified as contributing to problem debt. The Tongan focus group fono findings referred to the practices of *fai fatongia*, *kavenga* and *mafana*, while the Samoan group referred to the notions of *fa'aaloalo*, *ava fatafata* and *totoma*. The findings do not identify the churches involved; there may be singular or collective references to the minister, position holders in the church or members of the congregation. Participants in both focus group fono referred to the system of tithing and donations as the cause of families incurring debt.

3.4.4 Public announcement of tithings and donations

There are particular church denominations in the Tongan and Samoan communities whose historical tradition has been to read out the amount of tithing or donations from each family during the church service. The tithings or donations are either given to support the minister and his family, or given towards a church programme such as the choir, youth group or men's and women's fellowships. This practice has, over time, developed a form of competition to tithe the highest amount of money. Status is accorded to families who are consistently able to contribute large sums. Some regard these people as having a 'standoffish attitude', a type of inverted arrogance. For others the pressure is to avoid being the family who gives the lowest amount. There is often a stigma attached to families who are known to be poor or less well off. The introduction of an envelope system of tithing is a significant change that some churches have made, removing the pressure of giving more than what one can afford and in the Pacific context, saving face. The findings from the service providers' report notes that some Pacific clients actively seek services that ensure confidentiality and whom they can trust, fearing that they will be talked about in their communities. The potential for community stigmatisation may be one possible reason for this.

3.4.5 Blaming the church for problem debt

The range of views in the findings on this and other discussions in the study does not reveal the complexities that exist within the socio-cultural and political communities of Samoan and Tongan people. Both societies are hierarchical and relational-focused. Individual expression is set aside in order to privilege and sustain the wellbeing and position of the family in the community. With some exceptions, the general practice for tithing is by family and not as individuals.

Three issues emerge on the question of whether some churches are to be held responsible for causing debt. The findings highlight that the system of pledging in some Tongan churches in New Zealand puts people in situations where they commit themselves beyond what they are able to give. In response, one view is that as individuals make a personal choice to attend church they should therefore take responsibility for prioritising their personal spending. Another comment was that people lose their money at the casino and blame the church for this. While these views may be valid in the light of the experiences of the participants, they are also problematic because they assume that all people make choices from a position of opportunity. The family who is pressured to tithe more than they can afford may be existing on the bare minimum wage of one income earner. The person who gambles at the casino may be trying to supplement their earnings to buy essential household goods, or hoping to win extra to make up a shortfall in their family's tithing. For these people, spiritual and religious faith may be a part of what helps them to survive.

A third issue is the responsibility of the church minister to attend to the whole person – that is, the mind, body and soul – and to not ignore the situation of families in his church. This comment by an elderly Tongan man suggests an appeal to the minister as a leader of religion, a fellow countryman and another human being. It also makes a statement about duty of care between leaders and families. Pacific ministers, particularly of Pacific churches, are well cared for and resourced, financially and in kind, by the families in their church. They are viewed by many Pacific peoples as God's chosen representatives. In a Pacific context, ministers and their members are bound by covenant. There is an expectation of reciprocation of care. Many ministers believe that their role is to attend specifically to the spiritual needs of their congregation. The participant's comment is also an important statement about the limitations of theological doctrine observed by many church ministers.

A Samoan male participant noted that, while the church may have contributed to the debt situation, it was also important to acknowledge that to give to the church is to be blessed and enriched. This is a common belief amongst many Samoan people. The completion of this thought is if not on earth, then in heaven. It is not clear whether or not the participant's intended message was to maintain the status quo and to wait for the blessings.

3.4.6 Blaming culture for problem debt

The findings depict an array of interpretations and applications of indigenous Tongan and Samoan terms that have been redefined in the migrant context in New Zealand. As noted earlier, the reference to culture is specifically focused on the Tongan practice of *fai fatongia*, *kavenga* and *mafana* as contributing causes of problem debt. At least one participant believed that things were simple in Tonga, whereas in New Zealand the suggestion is that too much money is given. Similar to the Samoan experience, meanings and practices of indigenous concepts that were oriented towards reciprocation of resources to alleviate burden have shifted and changed over the last 30 to 40 years to adapt to the New Zealand socio-economic environment. The impact on many has instead been one of added burden.

3.4.7 Lost in translation

A simple understanding of the term 'translation' is the rendering of ideas between two distinct cultures from one language to another. Words carry the values and beliefs of a particular culture. Their meanings point to stories on the origin of the word and its practices. An appropriation of the word by another language is the loss of the original meaning and intent of the word.



The findings note that the idea of ‘owing things’ is something that Samoan people are not familiar with, and as a result they lack the skills to repay debts. The evidence is problematic because it essentialises behaviour. The Samoan word ‘*aitālafu*’ in today’s terms equates to the idea of money that has been borrowed and is owed. It may be formally documented as an account or as a verbal understanding between people. ‘*Aitālafu*’ is a common practice in Samoa, whether it is with the local village store, or with a wholesale company in the district township. Families who, for example, have a funeral to prepare for, will open an account with a store in order to purchase items for this occasion. At the completion of the event, the ‘*aitālafu*’ will be paid. While these are simple transactions without the complications of a contract, the point being made is that Samoan people have words that have a similar meaning to the notion of borrowing and repaying. The word ‘*aitālafu*’ is specific only to money.

The word ‘*aipupula*’ is a generic term for a legitimate request by someone who is in need of something such as a fine mat, money or plantation produce for a special occasion. Milner (1996) notes that “these requests are not shameful or resented unless they are clearly unnecessary or become excessive”. The term *totoma* or *toma* is specific only to ‘*ie toga*, or fine mats. A request for money, as discussed above, is to ‘*aitālafu*’. The term *asamo* is specific to the request for produce from the plantation. While there needs to be further exploration of these and similar terms, Milner makes the distinction between borrowing as in ‘*aitālafu*’ and requesting without a demand or expectation of replacing.

The Samoan expressions *fa'aaloalo*, *ava fatafata* and *totoma* were identified as contributing to problem debt amongst Samoan people. The experiences highlighted in the findings show that there are conflicting uses of the terms ‘borrowing’, ‘requesting’ and ‘reciprocation’, reflecting in part the significant differences in meanings and practices in the Samoan and New Zealand socio-cultural contexts. The reference to the term *totoma*, for example, as equating to the practice of borrowing, may in empirical terms be a valid observation; however, as noted by Milner (1996), *totoma* has a specific context that is not related to the idea of borrowing. The term *fa'aaloalo* is commonly glossed as respect; in the Samoan worldview, however, *fa'aaloalo* and *ava fatafata* are very important and are inextricably linked to the concepts of *vā fealoaloa'i* and *vā tapuia*. These, in uncomplicated terms, are social and sacred relationships between Samoan people. The concept of *vā* encompasses the whole of the Samoan worldview to which *fa'aaloalo* and *ava fatafata* are attendant. The loss of these concepts to other meanings and practices is one of extreme concern because they constitute the basis of Samoan wellbeing. The critical point is that if *fa'aaloalo* and *ava fatafata* are contributing to problem debt, the only explanation for this is that the current understandings of their meanings and practice are incomplete and therefore erroneous. The cause of problem debt cannot therefore be blamed on these concepts, but rather on the manner in which they are understood and practised. Their meanings need to be revisited and their practices understood in the light of the interpretations of these meanings.

4. CONCLUSION AND IMPLICATIONS

4. Conclusion and implications

This study provides a snapshot of the range and complexity of issues affecting Pacific communities, and strategies to be considered for ongoing exploration to gain better understanding of the context in which promising practices can be implemented. The information gathered from the literature review and participant discussions provides an informative platform from which strategic programmes of enquiry can be developed. Critical to an effective approach is the collaboration of relevant government and private-sector groups, ethnic-specific service providers and specialist workers, informed church and community leaders and those who have experienced problem debt.

The findings in this study agree with much of the literature reviewed on the impact and potential causes of problem debt for Pacific peoples. They provide substantial information on areas in the knowledge gaps noted by the Families Commission (pp. 19–48) as a beginning point for further understanding. It is significant, however, that remittances to homelands were not mentioned as a cause of problem debt. It is a well-known fact that millions of dollars are remitted between Pacific communities in New Zealand and their homelands every year.

The findings from the service provider survey provide essential information on the scope and capability of services available, as well as ‘insider’ perspectives on contributing factors to problem debt and their effects, evidenced through face-to-face encounters with Pacific clientele. The survey findings also detail a range of strategies drawn from the service providers’ experiences as ways forward to resolving issues for Pacific clientele with problem debt. These are important considerations in the development of innovative projects. The findings from the focus group fono provide insights into the influences of the church and culture on Pacific peoples’ behaviour and attitudes towards problem debt. Of particular significance are the views and opinions of many of the participants on the roles that the church and culture play as major contributors to problem debt. Their perceptions and perspectives give invaluable glimpses of the attitudes and behaviour that lead to problem debt.

This section is divided into two chapters. Chapter 4.1 provides key implications from the service provider organisations, while Chapter 4.2 discusses the key implications from the two Pacific focus group fono.

4.1 Key implications from service providers

Findings in the service providers section provide a range of implications that are of relevance to improving practice, preventative measures and understanding.

Financial literacy

There is a great need for financial literacy and numeracy, budgeting and money management for Pacific families. Pacific leaders, church ministers and heads of families were named as key role models. By enlisting the support of these Pacific leaders, the programmes can be taken to homes, schools and churches. It is important that parents become financially literate so that positive financial habits and skills can also be passed on to their children. Introducing budgeting and financial skills into primary and secondary schools would further enable children to translate their learning into real-life practical situations.

Pacific media

Using a range of Pacific media such as radio stations and magazines would enable financial advice in English and Pacific languages to be widely disseminated.

User-friendly financial education

It is important that the programmes are designed to be relevant to Pacific peoples' life experiences, are available in their languages and are interactive. Speakers could include Pacific peoples who had experienced problem debt and overcome it. Other areas could be understanding the profit motives of private finance companies, and helping people understand their rights and financial obligations in contracts. Families can be assisted by teaching them how to set goals and maintain motivation to achieve them.

Revisiting cultural and church expectations in the New Zealand context

Pacific families are strongly committed to traditional values and supporting extended family and community events. Food, shelter, transport and clothing have to be prioritised before money is allocated to other expenses. The challenge is in shifting ingrained cultural practices.

Saying 'no'

Pacific clients need to be assertive and confident in saying 'no'. Clients demonstrated a deeply ingrained sense of commitment, loyalty and responsibility to their family, culture and spiritual faith. Changing their approach to honouring their various responsibilities will need to start at a personal level.

Raising awareness for recent immigrants and families in the Pacific nations

There is a need for cultural and financial adjustment for new migrants to New Zealand society. New migrants are especially susceptible to problem debt if they are not yet employed and do not qualify for a benefit. There are currently no programmes to assist new migrants with their transitions into New Zealand society. It was observed that new Pacific migrants learn about money management from the families they live with in New Zealand. These are often positive experiences; some, however, are encouraged and taught how to access finance companies and fringe lenders to purchase cars and furniture. A useful venture would be providing people in the Pacific with information on the pressures currently faced by Pacific families living in New Zealand.

Review access to easy credit and finance

There is a need for a review on the policy for accessing loans from finance and credit card companies. Large numbers of clients receiving benefits or earning low incomes were able to take out loans from finance companies which had high interest and penalty rates. Clients were uncertain as to why finance companies considered benefits as an income.

Interpreters, budgeters and waiting period

It is useful to have a translator, budgeter or even wait period before a loan is approved. This delay may allow the family time to review their ability to afford the goods they desire.

Cap on loan amounts

A limit on the amount that could be borrowed by people on benefits or low incomes would help minimise the potential for large debts. People receiving benefits would be unable to access further loans until they had repaid what they owed. An interpreter and budgeter involved in the process would ensure that the applicant not only received all the information but also understood the terms of the contract, and a final amount would be dependent on the outcome of an assessment.



Early intervention

An approach is needed to encourage Pacific clients to seek help at an early stage. This would help families resolve issues before they escalate to more serious problems.

Awareness of financial support available

More information and support need to be made available on government assistance and what clients may be entitled to. Many Pacific clients did not know that they may be able to access their KiwiSaver funds under the hardship provision. These funds can be very helpful for Pacific families experiencing problem debt.

Alternative ways of doing things

Pacific families could save money from doing things differently – for instance, exploring alternatives to telecommunication companies, being willing to eat less traditional foods and buying goods second-hand.

Service providers

Options should be made available to clients who might prefer a Pacific or non-Pacific worker. While it is important for workers to be of the same culture as some clients, there were reports of Pacific families who preferred a non-Pacific worker for fear that members of their communities would find out about their personal financial affairs.

There is a need for service organisations to coach families to independence, where they are no longer reliant on a number of organisations to do things for them. A reduction in the number of providers and a broader scope were both suggested. Staff need to engage in active listening, hearing what the client is sharing, and being upfront and honest about what services they could and couldn't provide.

There is a need to increase funding from central government for community and financial services, and to enable organisations to provide services at times and places appropriate for their clients.

4.2 Key implications from Pacific focus group fono

The findings from the focus group fono section are of primary relevance to further research on improving understanding, culture and context, workforce development and emerging and promising practices. These implications, set out below, should not be viewed in isolation of other areas affecting Pacific peoples' lives, such as employment, health and education, as these are all inter-related. The implications are not detailed in any particular order of priority.

Research on improving understanding

A key to understanding attitudes is to understand the values and beliefs that shape thinking and behaviour. For many Pacific peoples, the two key institutions that influence attitudes are culture and church doctrine, addressed in this study, and societal norms. One perspective is that in order to effectively address the attitudes and subsequently reasons for problem debt, the core values that inform and influence thought and behaviour need to be understood and framed in a way that re-orientates these values without disturbing those aspects of culture and religion that promote wellbeing. In this respect the task contains immeasurable challenges.

Whilst there is some evidence to help understand attitudes towards problem debt and the reasons for it, the potential causes raised in literature, the survey and the focus group fono highlight areas that need to be explored further.

Research on culture and context

Key areas for exploration include the relationship between the church system of tithing and donations, and the realities for Pacific peoples and their ability to fulfil these obligations. The evidence suggests that some church leaders are distant and even ambivalent towards the social and economic situations of their congregation, electing to focus solely on spiritual wellbeing. This attitude is likely to be influenced by theological doctrine and a perception by church leaders of their own significance within their cultural contexts. It raises questions about the impact of religion and its co-opting of cultural authority in shaping attitudes. It is also the effects of messages employed to guarantee earthly life and after-life blessings that are legitimised through scriptural interpretation, often drawing on cultural concepts for validation. The relationship between suffering and blessings is a common theme heard in many Pacific religious settings. The biblical story detailing a conversation between God and Satan focuses on Job's suffering as a test of his faith, and the resulting manifold blessings are commonly drawn on to exemplify the qualities of faith and endurance. This area of exploration should include Pacific theologians and religious leaders who have demonstrated a theological affinity with communities in crisis.

The evidence on aspects of Samoan and Tongan culture as contributing factors requires further exploration. The concepts identified in the Tongan and Samoan findings originate from a specific socio-cultural context and are therefore most likely to achieve their purpose in Samoa and Tonga. For populations living outside of their home countries, over time these concepts are continuously adapted to reflect New Zealand society's changing social and cultural milieu. In some cases, the meaning becomes lost and the practice is based on a set of values inconsistent with the original culture. That these concepts are thought to contribute to problem debt is evidence that the practices have shifted significantly from their original meanings, and in the process the protective factors embedded within these concepts have become redundant. An exploration of how the meanings of these and other relevant concepts can be reconstituted from their original meanings would be an important approach to re-orienting attitudes.

The evidence from the focus group fono does not take into consideration remittances to homelands as a potential source of problem debt. This does not necessarily mean that remittances are not contributing to problem debt, but rather that remittances are not viewed as a contributing factor to problem debt. The survey evidence also notes situations where families bought cars to be sent to Samoa using loans from fringe lenders. Further exploration into understanding Pacific values and perspectives on remitting money and other forms of resources to families in Samoa and Tonga will be an important contribution to understanding motivations for giving money and incurring debt.

While there are similarities between Pacific cultures and Christianity, ideologically they are distinct in origin and in belief. Nowadays the two are inextricably linked to the point that Christianity in some Pacific circles has become the de-facto culture, and the church is viewed as a sort of de-facto village in countries outside of Samoa and Tonga. It is therefore almost impossible to talk about culture without making reference to the church. Both singularly and jointly influence Pacific thought and behaviour.

As already discussed, culture and the church are viewed as contributing causes of problem debt. Challenging this view is the belief that problem debt is the inability of Pacific peoples to manage their repayments. Culture is blamed because of concepts such as reciprocity and giving. As discussed, however, understandings and practical applications of these concepts are flawed. Should this be the case, the reasons for problem debt are to be found elsewhere.

The apportionment of blame to the church was based on the system of tithing and donations. In some churches this has been resolved by introducing the envelope system. A further point of importance is the apparent failure of some ministers and church leaders to critically recognise the interconnectedness of the spiritual, physical and mental dimensions of the human being. Similarly, there is also a need to acknowledge the relationship between the whole person and their socio-economic and cultural environments. This issue and the implications are discussed in previous sections. Evidence further underlines the intergenerational changes in attitudes towards debt. There is a need to explore what this means, and the potential for future positive outcomes and challenges.



A second area of exploration is the extent to which Student Loan schemes contribute to problem debt.

Living in an environment that sustains high levels of stress and long-term financial uncertainty is likely to significantly affect a population's physical and mental wellbeing. There are possibly other factors, such as violence and long-term unemployment, that must also necessarily have an impact on a state of emotional and psychological wellbeing. This is an area that is not explicit in this study. In terms of the formation of attitudes, there is a paucity of relevant literature addressing the impact of sustained stress and financial uncertainty on relationally-based migrant populations. An understanding of coping strategies and their expressions in areas where financial spending is prioritised will add to existing and new information.

Research on workforce development

While the literature provides substantial background and context to the socio-economic status of Pacific peoples in New Zealand, more information is required on how they understand and engage with their social, cultural and economic environments. The causes of disparities in Pacific families are multiple and complex. Problem debt is a symptom – a means that enables families to maintain or reactivate familial and cultural priorities. These priorities need to be identified and understood. Problem debt also exacerbates an already critical financial situation. Responses by government and service providers require an understanding of the complexities that exist in families and their institutions of identity, such as the church, as well as the significance of remittances, with a view to effectively engage with these communities through diverse approaches.

Critical to a government response is the strategic participation of multiple sectors and a continued emphasis on developing a workforce that is responsive and relevant to the ongoing challenges facing Pacific families. The potential for such a workforce entails specialised and multi-skilled Pacific and non-Pacific capability and capacity.

Research on emerging and promising practices

On the basis of the evidence, the perception is that surface-level insights and understandings require further discussion before emerging or promising practices can be clearly identified. Face-to-face interviews with individuals who are experiencing or have experienced problem debt, Pacific counsellors and therapists are likely to produce more in-depth data. A series of focus group fono with specialised groups such as conservative and progressive church ministers, young people, families who have experienced problem debt, cultural experts and service providers are likely to produce diverse perspectives. A key question is: given that there is the belief that culture in pre-contact times enabled a fair distribution of resources to ensure that the wellbeing of families was maintained, why does problem debt exist in Pacific families today?

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Appendix 1: Literature review

1.1 Introduction

Literature generated to date on the socio-economic status of Pacific people living in New Zealand describes a population that is vulnerable to the impact of global market influences. The last two decades, for example, have been associated with economic globalisation, reforms and decreased state assistance. Amongst those adversely affected by the reforms were Māori and Pacific peoples (Williams et al., 2003:34ff).

1.2 Review aims

The aim of the literature review was to identify promising interventions and practices in literature and grey literature that support Pacific peoples in developing financial literacy and to help them avoid and manage problem debt.

1.3 Review methodology

A review of available literature relevant to problem debt and Pacific peoples living in New Zealand was undertaken, with particular focus on Samoan and Tongan populations.

A search of literature was conducted by accessing electronic databases. These were supplemented by published reports from government agencies, and material held in libraries and by researchers and colleagues.

1.3.1 Grey literature

Grey literature describes reports that are not widely accessible to the public. Professional and informal networks were employed to access reports and material that were either newly published or not available through libraries or electronic databases.

1.3.2 Key search terms used

Terms and phrases used in the search included: problem debt, indebtedness: Pacific/Samoa/Tonga/ethnic; problem debt intervention programmes: Pacific/Samoa/Tonga/ethnic; problem debt intervention programmes: Aboriginal/First Nations/indigenous; household problem debt: Samoa/Tonga/ethnic/indigenous; poverty, debt: Samoa/Tonga/ethnic/indigenous; at risk populations: problem debt/intervention programmes; Fa'aSamoa/fa'alavelave; debt and culture; globalisation and Pacific cultures.

1.3.3 Limitations

Valins (2004:57ff) points out two limitations of literature on problem debt that are relevant to this review. The first is that while there is a large quantity of research on household debt problems, empirical evidence on their impact is limited. In the case of Pacific peoples there is a paucity of literature in this area, as well as in research addressing the range of relationships between, for example, remittances, religion, migration and problem debt. A second limitation highlighted by Valins is that studies tend to assume models of nuclear families living in discrete economic units. He comments on Māori kinship networks based on whānau, with consequent transfers of wealth to other non-financial obligations, such as support for marae. Similarly, wealth transference by Pacific peoples is made to support church activities in New Zealand and abroad, resulting in associated effects on families (*ibid*).

1.4 An overview of Pacific peoples in New Zealand

New Zealand's Pacific population is characterised by high fertility rates and high numbers of young people. It is also ethnically diverse, fast-growing and highly urbanised. The seven major Pacific groups are Samoa, Cook Islands, Tonga, Niue, Fiji, Tokelau and Tuvalu.

At the 2006 Census, Pacific peoples comprised 7 percent (265,974) of New Zealand's total population. This was projected to grow by 2.4 percent a year to 480,000 in 2026 (about 10 percent of the total New Zealand population). Of the total Pacific population in New Zealand, 50 percent are of Samoan descent. Tonga is the third-largest Pacific ethnic group (following Cook Islands), comprising 19 percent (Statistics New Zealand, 2006a).

Increases in the numbers of people of Pacific descent who were born in New Zealand (60 percent of total Pacific population) not only highlight changes in population patterns (*ibid*), but also indicate the future capacity of successive generational populations to continue to shift attitudes towards cultural beliefs and practices. Samoan people born in New Zealand comprised 60 percent of Samoans living in New Zealand; the figure was 56 percent for Tongan people (Statistics New Zealand, 2006b, 2006c).

The median age for Pacific peoples was 21 years, compared with 35 years for the total population. For the Samoan and Tongan populations, the median ages were respectively 20 years and 19 years (Statistics New Zealand, 2006a, 2006b, 2006c).

Pacific peoples are largely urban-based; 93 percent live in the North Island, and of this total, 67 percent live in the Auckland region. Manukau has the highest numbers (86,616); one in three residents is of Pacific descent. The majority of Samoan (98 percent) and Tongan (95 percent) people live in urban areas. Of these totals, Samoan people (68 percent) and Tongan people (78 percent) live in the Auckland urban area. A breakdown of these percentages shows that 54 percent of Samoan people and 48 percent of Tongan people live in South Auckland; 25 percent of Samoan people and 38 percent of Tongan people live in Central Auckland (Statistics New Zealand, 2006a, 2006b, 2006c).

1.4.1 Family types

Samoan and Tongan people are more likely to live in families. In 2006, 87 percent of Samoan people and Tongan people lived as members of a family, compared to 86 percent of the total Pacific population and 79 percent of the total New Zealand population. The most common family type was a couple with children (Samoan: 67 percent; Tongan: 70 percent), followed by one-parent families (Samoan: 26 percent; Tongan: 24 percent). The least common family type was couples without children (Samoan and Tongan: 7 percent).

Just over one-third (35 percent) of Samoan and 39 percent of Tongan people lived in extended-family situations, suggesting that both populations are more likely to live in multi-family households (Statistics New Zealand, 2006b, 2006c).

1.4.2 Elderly people

The elderly are an often-overlooked influence and factor in to the field of decision-making processes concerning household spending and saving. Literature on the role and influence of elderly people in Pacific families is scarce. It has been projected that by 2050, Pacific people aged 65 years and over will comprise 5 percent (68,000) of the total 65-years-plus population (Statistics New Zealand, 2004). Four percent of Pacific peoples were aged 65 years or older, compared with 12.3 percent of the total population (Ministry of Health, 2007).

1.4.3 Economic situation

As at 28 February 2010, 28,150 Pacific peoples were in receipt of a main benefit. This was a 45 percent increase in the numbers of Pacific peoples (8,673) in two years, and was one-and-a-half times more than that for the total population (30 percent increase).



The group that was significantly affected throughout the economic downturn in 2008 to 2010 was Pacific youth. As at 28 February 2010, 1,971 Pacific youth aged 18 to 19 received main benefits, which was an increase of 167 percent (1,204) since February 2010. Pacific peoples aged 20 to 24 years showed an 80 percent increase in benefit recipients since 28 February 2008.

Recent figures to the end of February 2010 show that of the 64,145 people of working age receiving the unemployment benefit, 7,248 (11.3 percent) were Pacific peoples – an increase from 7,163 in December 2009 (almost 300 percent increase from December 2007).

Reasons for higher unemployment rate

The reasons for higher unemployment rates amongst Pacific peoples can be attributed to a series of inter-related factors such as its youthful population, gaining fewer qualifications and the decline of industries that have traditionally employed high numbers of Pacific workers. As at June 2010, Pacific peoples were mainly employed in the manufacturing, and wholesale and retail sectors. Compared to nearly two years ago, positions in these industries fell by 23.9 percent. The vulnerability of the processing and manufacturing activities in the global economy and to major technological changes places Pacific peoples in positions of potential unemployment and the need to hold a number of jobs in order to make ends meet (*ibid*).

Benefit recipients

The Families Commission report (2010) notes that at the time of the 2006 Census, over 15 percent of Pacific peoples were receiving a benefit compared to 12 percent of the total working population. Pacific women are more likely to receive a benefit than Pacific men, and Pacific women together with Pacific men over 65 years are also more likely to be on a benefit than other groups in the Pacific population.

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The quarterly data show that the numbers of Pacific peoples receiving the unemployment benefit fell steadily between December 2009 and December 2007. Recent figures to the end of February 2010 show that of the 64,145 people of working age receiving the unemployment benefit, 7,248 (11.3 percent) were Pacific peoples – an increase from 7,163 in December 2009 (almost 300 percent increase from December 2007).

Not in education, employment or training (NEET)

As at June 2010, 17.3 percent of Pacific males and 11.8 percent of females aged 15 to 24 years were NEET compared to 11.8 percent of all males and 9.6 percent of all females in this age group (*ibid*).

Home ownership

In 2006, 23 percent of Samoan adults and 19 percent of Tongan adults owned or partly owned their dwelling. The highest rate of home ownership in the Samoan adult population was 49 percent amongst the 55-to-64-years age group.

The highest rate of home ownership for Tongan adults occurred in the 55-to-59-years age group (42 percent). A higher proportion of overseas-born Tongans (78 percent) owned or partly owned the dwelling that they lived in compared with New Zealand-born Tongans (22 percent).

Rental accommodation

Over 58 percent of Samoan people and over 55 percent of Tongan people lived in rental accommodation owned by a private person, trust or business, compared to the total Pacific and New Zealand population of 60 percent and 82 percent respectively. A further 39 percent of Samoan people and 43 percent of Tongan people lived in Housing New Zealand Corporation houses compared to the total Pacific (37 percent) and New Zealand population (13 percent). In terms of rent paid on accommodation, 20 percent (Samoan) and 24 percent (Tongan) paid less than \$100 weekly in rent; 26 percent (Samoan and Tongan) paid between \$100 and \$199 per week. A further 34 percent (Samoan) and 32 percent (Tongan) paid between \$200 and \$299 and 20 percent (Samoan) and 18 percent (Tongan) paid \$300+ per week (Statistics New Zealand, 2006b, 2006c).

Between 2006 and December 2009, the numbers of Pacific peoples who were Housing Corporation tenants increased from 26 percent to 38.3 percent. In Auckland, Pacific tenants comprise 40 percent of Housing Corporation tenants. They also represent the group with the highest need in areas where Healthy Housing and Community Renewal programmes operate.

In December 2006, Pacific families accounted for 23 percent of income-related rent costs provided to assist with housing costs. On the basis of their share of assistance, \$120 million was paid in income-related rent in the same year. In 2006, the Accommodation Supplement administered by Work and Income to assist low-income people in the private sector with rent, board and mortgage payments totalled \$60 million.

Religion

In 2006, 83 percent of Pacific peoples were affiliated with at least one religion, compared with 61 percent of the total New Zealand population. Ninety-eight percent of Samoan people and 90 percent of Tongan people were affiliated with a Christian religion. Eleven percent of Samoan people and 8 percent of Tongan people professed to have no religious affiliation, while 4 percent of Samoan people and 3 percent of Tongan people objected to answering this question (Statistics New Zealand, 2006a, 2006b, 2006c).

Health

Pacific peoples have high multiple health needs and live in low socio-economic regions (Statistics New Zealand, 2004). A high proportion of Pacific peoples (43 percent) live in decile 1 areas (most deprived) and in this regard are over-represented (22 percent) in the total New Zealand cohort (Perese et al., 2009). A study undertaken by the National Health Committee (2007) on chronic illnesses amongst this population shows that there is a strong correlation between poverty and ill health:

- Pacific peoples live, on average, around eight years less than the general population.
- Pacific peoples with chronic conditions experience higher rates of mental disorder.
- Pacific peoples have higher rates of avoidable mortality than the 'all New Zealand' benchmark – approximately a 50 percent excess risk. From middle age onwards, chronic diseases (including ischemic heart disease, stroke, lung cancer and COPD) are the major causes of avoidable mortality. Pacific men have avoidable mortality rates about one-and-a-half times those of Pacific women.
- The prevalence of diabetes among Pacific women between 25 and 44 years is 6.2 per 100, compared to the New Zealand average of 1.4 for females in the same age group.
- By 2011 the prevalence of diabetes in the Pacific population is predicted to increase by 146 percent, compared with 58 percent for European New Zealanders.
- Pacific cardiovascular disease mortality rates are consistently and significantly higher than those of the total population (about twice as high in middle age, one-and-a-half times higher than in older age). Male cardiovascular disease mortality rates are higher than the corresponding female rates for all age groups.



- › Since the 1980s, there has been a 66 percent increase in the rates of strokes for Pacific peoples, compared with a 19 percent decline for Europeans in the same period.
- › The lung cancer mortality rates for Pacific men between 25 and 64 years is twice the total New Zealand average, while Pacific men aged 65 and older have average lung cancer mortality rates.
- › Pacific women have higher-than-average mortality rates for breast cancer (all age groups) and cervical cancer (45 to 64 age group).
- › Pacific children have higher hospitalisation rates (approximately 50 percent higher) for asthma than the New Zealand average.

1.4.4 Vulnerability to problem debt

Negative impact of problem debt

Literature on debt research identifies four general types of impact: financial hardship; poor health; family stress, stigma and exclusion; and barriers to employment. A negative effect on health, and in particular mental health, is a possible link to suicide. Over-indebtedness may also lower the financial advantages of returning to work and act as a barrier to sustainable employment (Valins, 2004:57).

1.4.5 Cultural pressures

A survey conducted by Williams and O'Brien (in Valins. 2004:39), based on eight case studies of low-income families with debt problems, explores the pressure on Pacific peoples to borrow money. The case studies are not representative, but they indicate the impact of unmanageable debt and possible reasons why people run into debt. The authors argue that the results demonstrate aspects of culture to be significant in structuring debt and poverty dynamics. An example was the misfit between the cultural systems of Pacific peoples' households and the cash economy and credit market in New Zealand. One case study interviewee spoke of borrowing money to pay for consumer items for relatives in Samoa and paying for relatives to visit the family back home. Williams and O'Brien also raise the issue of social pressure in Pacific communities to support churches. They argue that supporting churches is linked to social standing, with competition to pay significant amounts to these institutions.

1.4.6 Relationship between ethnicity and financial management

Individual and family practices were titheing and donations to the church; remittances to families; and the use of 'fringe lenders'. Valins (*ibid*:12) notes that "ethnicity is correlated with indebtedness", citing Gibson and Scobie's (2003) study which shows that, on the basis of raw data, Pacific peoples have the highest proportion of bank debt: 31 percent of non-partnered individual Pacific peoples and 44 percent of Pacific couples have bank liabilities. Dupuis (2009) believed that where initially ethnicity did not appear to be a significant factor in being 'financially sorted', two variables were mentioned by Māori and Pacific interview participants as potentially affecting an individual's ability to achieve financial wellbeing, depending on their length of residence in New Zealand and participation in, among other factors, educational, social and vocational pursuits. The two variables were:

- › the belief that some ethnic groups, historically, are more accustomed to and comfortable with a different economic structure from the European cash-based economy
- › the impact of 'ethnicity' on financial management behaviours and performance is the result of the persistence of cultural values that are supportive of and consistent with a community or household-based economy based on revolving reciprocity.

1.5 The knowledge gaps

Very little is known about what compels or motivates Pacific families living in New Zealand to participate in practices that can lead to problem debt. The paucity of literature also makes it difficult to identify any promising programmes relevant to the experiences of intergenerational ethnic-specific populations. The following are known knowledge gaps on the attitudes and practices of Pacific peoples living in New Zealand (Families Commission, *ibid*).

1.5.1 Tithing and donating to churches:

- whether the attitudes and behaviours of younger Pacific generations born in New Zealand in respect of tithing as opposed to donating to churches are changing, and if so, how
- whether the economic downturn has affected Pacific practices of tithing and donating, and if so, to what extent
- whether and how Pacific church leaders are providing guidance on their congregations' practices of tithing and donating in uncertain economic times
- whether and how the attitudes and behaviours of specific Pacific groups differ in relation to tithing and donating.

1.5.2 Pacific peoples' use of fringe lenders:

- whether and how the amounts Pacific peoples are borrowing from fringe lenders have changed over time
- whether Pacific peoples' access to financial information and other less expensive forms of credit has improved
- the characteristics of specific Pacific borrowers (gender, age group, religious affiliation, island or New-Zealand-born, for instance)
- where fringe lenders get their funds from
- the extent to which Pacific peoples are borrowing from lenders of the same specific Pacific ethnicity as themselves.

1.5.3 Pacific peoples' practice of remittances:

- the impact of the new regulatory framework on specific Pacific peoples' remittance practices
- specific Pacific peoples' awareness of new low-cost remittance products, and sources of information
- specific Pacific peoples' take-up of new low-cost remittance products compared with other products and services
- the treatment of remittances as current consumption or an investment
- the diverse and emerging forms of remittance, which include purchasing cars from New Zealand and shipping them to the Islands; the payment of island-incurred utility expenses; and financial support for the increasing number of Pacific New Zealand superannuitants who live between New Zealand and the Islands.



1.6 Other potential sources of debt

Court fines and the use of retail store cards also need to be investigated and quantified.

1.6.1 Savings

There is little known on Pacific peoples' saving practices, and what factors influence them and in what ways. Another gap is saving schemes (such as KiwiSaver) that do not collect data on the ethnicity of their customers.

De Raad and Walton (2008) suggest that the savings rate might be lower for Pacific peoples than for others because of the high numbers on lower incomes having less disposable income for savings and allocating a portion of their incomes to remittances and church donations.

1.6.2 The centrality of family to Pacific worldviews

A critical knowledge gap is an understanding of the importance of 'āiga, *kainga* or family in the lives of Pacific peoples.

Family and village are the principal sources of identity in Samoan society. Both frame and define people's social worlds, their lives and identities. (Macpherson, 2009:13)

The Pacific individual's place in the world is shaped by their role in the family. It therefore needs to be understood as a significant part of being Samoan or Tongan, or being of multiple Pacific ancestry. While the New Zealand context aids an understanding of Samoan and Tongan attitudes towards debt, it is nonetheless incomplete without an understanding of a wider context, which is rooted in Samoa and in Tonga. Expressions of loyalty and service to families, villages and religious denominations are significant indicators of identity and belonging not only for older generations of Samoan and Tongan people living with families in New Zealand, but also for many New Zealand-born Pacific generations. To exercise one's obligations and rights within *fa'a Samoa* and *faka Tonga* is to, amongst other things, participate in rituals of reciprocity, which calls on a pooling of financial and material resources. Questions need to be asked, however, regarding the often excessive demands made on families, and there needs to be a re-examination of the core values that underpin *fa'a Samoa* and *faka Tonga*. An understanding of the complexities and tensions in the social, religious, familial and political relationships in Samoa and in Tonga is crucial because it explains the tremendous pull that kinship and religion have on the way in which Samoan and Tongan people living in New Zealand perceive and engage with each other in their lived environments.

1.6.3 Remittances: Attitudes and perspectives

For many, friends and families in the islands are always close to their hearts and minds.

A Samoan participant believed that the 'biggest financial barrier faced by Pacific people is the [remitting] of money back to family in the islands'. She believed that many knew how to manage their money and had adequate financial management skills; however, after sending money, giving to the church and paying bills and money for the family, there isn't enough left over. They tend to be in low-paying jobs and therefore don't earn enough. A Tongan participant said that they operate from their hearts: 'It's the way we live ... Pacific people have difficulty managing their money because a big chunk of it goes to family'. (Dupuis, 2009).

There are challenges in trying to manage finances given the strong tradition of contributing towards weddings, funerals, birthdays and churches. Some interviewed said that there is no expectation to contribute, while others felt that there is a great deal of social pressure within some communities to contribute generously. The pressure is what often leads some to borrow from loan sharks to avoid 'feeling ashamed'. The focus group agreed that by the time many had spent on cultural activities, remittances, desirable consumer items and convenient takeaways, they would go to loan sharks to pay their bills. (Dupuis, 2009).

1.6.4 Reciprocity

In Pacific culture, ‘we’ is everything. During times of economic hardship where self-reliancy is difficult to achieve, the wellbeing of families and villages is dependent on the maintenance of familial relationships and reciprocity. When one has plenty, they will share with those who are without. In New Zealand there is security in a regular wage, whereas in the islands parents and families are not dependent on regular incomes. (Dupuis, 2009).

Dupuis’ (*ibid*) focus group agreed that many traditional Pacific values remained strongly entrenched within New Zealand’s Pacific communities, but that the values of parents and grandparents are increasingly being questioned in the light of their applicability and relevance to New Zealand society, economy and culture. The value of reciprocity, though still strong, appears to be shifting among Pacific peoples who have spent a significant part of their lives in New Zealand. One participant said that if someone was in hardship, they could go to their sixth cousin for help. Today, families are becoming more nuclear, less extended.

There is an increasing tendency for Pacific peoples today to prioritise their giving if finances are stretched. One participant might not send the amount requested but would send enough to pay for the important things such as electricity, food and the children’s education.

The focus group also stated that Pacific peoples are increasingly questioning the significant amounts of money contributed towards weddings, funerals or religious purposes. Children are questioning the need to contribute to events at such high levels or for people they don’t know. One participant noted more awareness among Pacific peoples regarding the difference between ‘cheerful giving from the heart’ and the kind of ‘giving for name recognition’ stemming from pride or a feeling of expectation.

Regardless of shifting values and traditions, Pacific peoples continue to maintain a strong cultural appreciation for family, friends and quality of life. A Tongan participant said that “... if we are rich, we eat ‘rich food’, if we are poor, we eat ‘poor food’. It’s what we give to our church and to our family that blesses us. That’s where our wealth is.”

1.7 Financial literacy: Attitudes and perspectives

A Colmar Brunton survey undertaken in 2009 found that 66 percent of Pacific peoples were in the low-knowledge group (down from 86 percent in 2006); 12 percent in the medium-knowledge group (up from 11 percent in 2006); and 21 percent in the high-knowledge group (up from four percent in 2006). The level of financial literacy in New Zealand is complex for many Pacific people who are unfamiliar with a cash-based economy such as that in New Zealand. It is not known whether the Pacific people surveyed were New-Zealand-born or immigrants, nor the length of time the latter had resided in the country. Caution needs to be taken with interpretation because of the small sample size. (Dupuis, 2009).

Following interviews with Tongan, Fijian and Samoan people, Dupois (*ibid*) writes that the New Zealand term ‘Pacific people’ includes immigrants to New Zealand from the Pacific Islands as well as New-Zealand-born persons of Pacific Island descent. Alongside differences between ethnic-specific groups, there are also significant differences within ethnic-specific groups in terms of culture and experiences of New Zealand, depending on the amount of time spent in New Zealand and, for example, varying degrees of education, income and net wealth. More research is needed to understand this dynamic.

The largely community-based household economic system continues to be maintained for families living in close-knit communities in the Islands; however, new skills are needed to manage day-to-day financial wellbeing in New Zealand. Education on financial planning for the future and appropriate spending of money is needed.

The exchange of fine mats (*toga*) and *tapa* is an example of the perseverance of economic traditions continued in New Zealand by Samoan and Tongan people. In pre-contact days, fine mats and *tapa* were forms of gifts instead of money, although older people continue to regard the fine mats and *tapa* as more valuable than money.



Focus-group participants believed that New Zealand-born and migrant Pacific peoples had adjusted successfully to the larger cash-based New Zealand economy. A Samoan participant felt that while it is important to be mindful of one's culture, adaptation to a new lifestyle is also good. Learning about the economic system is a way to succeed, and people need to be educated on how to save and invest. A Tongan participant explained that most Pacific peoples want to be seen as financially generous, and they are often reluctant to admit financial problems until it is too late. Nowadays, there is the opportunity for more dialogue about money management among Pacific peoples of all ages (Dupuis, *ibid*).

1.8 Policy changes

1.8.1 Capping of interest rates

The interest rates lenders can charge should be specified by law, and it should be an offence to charge more than that rate. Maximum interest rates could be pegged to the official cash rate, the inflation rate or bank interest rates, and periodically reviewed. It is argued that this single step would end many of the exploitative practices because it is the huge – and compounding – interest rates which low-income borrowers pay that cost them the most.

1.8.2 Capping of loan fees

Consumer law requires loan fees to be reasonable and related to the costs incurred in preparing loan documents. As loan contracts are now speedily prepared using standard forms, there is no reason why uniform fee rates cannot be set to prevent unscrupulous lenders from claiming inflated costs.

1.8.3 Making low-interest loans available through Kiwibank

Borrowers could still pay interest and the lender could still earn a profit, but the interest rate would not be excessive.

1.8.4 The further simplification of loan documents

Credit law changes in 2005 were supposed to make contracts easier for borrowers to understand, but they are still complex and contain many pages of small print. Many borrowers have no idea how much they will pay over the life of the loan – they only understand their weekly repayment amounts. The front page of the loan document should contain nothing other than the following statement in large, bold type: 'You will pay a total of \$x if you take out this loan'.

1.8.5 The introduction of strict controls on insurance relating to loans

People are often talked into taking out loan-repayment insurance covering risks that do not apply to them. An example of this is a beneficiary being signed up to an insurance contract covering them for loss of their job.

1.9 Innovative approaches

As a result of the remittance economy immigrants to New Zealand may find it difficult to save the funds necessary for mortgages, hire-purchases and other financial transactions. Helen told me, 'You have this wonderful budget that works until someone dies the next week'. (Wurtzburg, 2004)

There is little literature on innovative approaches to preventing and resolving problem debt for Pacific indigenous and migrant communities. While there is an abundance of literature on household debt, it is confined largely to the experiences of non-Pacific populations, with a focus on budgeting and counselling services. As noted by Wurtzburg, the idea of long-term budgeting may not be suited to many Pacific families because of the nature and frequency of commitments and obligations that constitute a significant part of their lives.

There are opportunities, however for exploring ideas that are related directly to the experiences of Pacific peoples living in New Zealand, and on which there have been no studies undertaken. There is an urgent need for more understanding on the range of relationships between, for example, cultural beliefs and practices, and remittances, religion, migration and problem debt.

A key aspect to understanding practices of reciprocity and church tithing is that both are values and belief-driven. It is therefore important that there is an understanding of what these values and beliefs are. The rationale behind reciprocation is the maintenance of family relationships and to assist where financial and material need exists. These values and beliefs need to be revisited where the burden of service adversely affects remitting families.

The experiences of Pacific families living in New Zealand are unique to this community. The issues are complex and need to be understood in terms of the implications for future innovative projects.

1.10 Summary: Literature review

There is a dearth of Pacific, ethnic-specific and migrant literature related to innovative programmes for addressing problem debt. While there is a large amount of literature on household debt, this is confined largely to the experiences of non-Pacific populations.

The literature notes that the majority of Pacific families continue to experience increasing disparity in the areas of health, employment and housing, significantly so since the economic downturn. Financial hardship, family stress, stigma and exclusions, poor health and barriers to sustainable employment are linked to the negative effects of problem debt.

Pacific peoples' vulnerability to problem debt is more likely because of a youthful population and limited or no access to financial information. A significant factor is the practice of customs of reciprocity, around which the management of household finances revolves. Donations to the church and accessing the services of fringe lenders are also sources of potential debt.

Vulnerable community sectors, including Pacific groups, are excluded from access to mainstream credit or are unable to exercise their consumer rights because of their limited level of financial literacy. The experiences of OECD countries in legislatively capping interest rates for vulnerable groups are examples of the types of policy changes which would enable Pacific peoples to be eligible for loans.

Literature on innovative projects that would be relevant to the experiences of Pacific peoples is scarce. In order to develop projects locally, more information is needed to understand attitudes and practices in the areas of tithing and donations to churches, the use of fringe lenders, practice of remittances and the importance of family.



Appendix 2: Pacific Methodologies: Cultural framework

The reflexive Pacific researcher

Jean Mitaera's the *Researcher as First Paradigm* (1997) claims that the Pacific researcher is in the first instance the ethical model for undertaking research with Pacific peoples. The cultural and research values and principles they hold are important to the successful implementation of the study.

Validating ethnic-specific Pacific knowledge

Fa'afaletui (Tamasese, Peteru, & Waldegrave, 2007), was the name given by Samoan participants for the process used to reach consensus on knowledge across four gendered focus groups. The term *fa'afaletui* describes the weaving of knowledge across discrete but connected groups of knowledge holders: *fa'a* (to be, to make); *fale* (house – referring to each focus group as a house of knowledge); and *tui* (weave). In the 2007 study, there were two gendered groups of elderly Samoan people and two gendered groups of Samoan service providers. Each participant is a knowledge-holder who takes their diverse experiences and metaphorical perspectives from the 'mountain top', the 'tree tops' and from the 'canoe out at sea' to be shared and discussed, each within their own *fale*. Each *fale* undertakes to critique and expand the shared knowledge and its meanings until there is consensual agreement. The four houses come together to repeat the same process. At the end of the discussions and where consensus has been reached, a body of knowledge that has been robustly discussed, critiqued and validated is returned to the community of people.

The kakala model: Garlanding the research process

Konai Helu-Thaman (1992a ,b) likens the process of traditional Tongan garland-making to the three phases of research. The first phase is *toli kakala*, where people select and gather the most appropriate flowers for the event. Timing is important, as are the skills of the pickers, who must know the names and the meanings of each plant, their texture and colour, their fragrance and suitability for the occasion. Thaman associates this with the recruitment and interview process. The second phase is *kau tui kakala*. The most fragrant and choicest of flowers have been selected and the weavers begin to design the garland. They are knowledgeable in presentation and the use of symbols and patterns. This is the data input, analysis and write-up phase of the research. The final process is the *luva e kakala* or the gifting of the garland. Culturally, *luva* is important because the *kakala* 'symbolises important values for sharing'. In turn, the recipient is expected to pass on their *kakala*. The *luva e kakala* represents the return of the research information to the participants, communities and people who can make good use of it.

Ethical principles in Pacific research

Behind each of the above approaches are discrete but interconnected principles that are important when engaging with Pacific communities. These principles underpin the relational-based world views of Pacific peoples and include relationships, respect, cultural competency, meaningful engagement, reciprocity, rights, balance, protection and participation. Each of the ethnic-specific terms and concepts (in Samoan, Cook Islands Māori, Tongan, Fijian and Niuean) alongside approximate translations in English are described below.

Relationships To develop, cultivate and maintain principled relationships is integral to all ethical practice.	<ul style="list-style-type: none"> ➤ Faiā (so'otaga vāvālalata) ➤ Piri'anga Tau Tēta'i ki Tētai'i ➤ Fekau'aki ➤ Fehagaiaga ➤ Na veiwekani ➤ Va Fealoaloa'i ➤ Va fakafeagai
Respect The relationship between the researcher and the research participant is based on respect for the inherent value of each human being.	<ul style="list-style-type: none"> ➤ Fa'aaloalo ➤ Vaerua 'Akangāteitei ➤ Feveitokai'aki ➤ Fakalilifuaga ➤ Na veirokorokovi se veidokai ➤ Fakaaloalo
Cultural competency <ul style="list-style-type: none"> ➤ To practise in a culturally competent manner, the researcher must have awareness of their own cultural beliefs, values and practices, and an awareness of how these affect their interaction with others. ➤ The beliefs, knowledge and experience of the research participant are true to himself or herself, and the researcher must respect this even if it is different from his or her own beliefs, knowledge and experience. ➤ Researchers are encouraged to build their cultural knowledge of the Pacific communities they work with. ➤ Researchers are encouraged to create a safe and enabling research environment that supports culturally competent practice. 	<ul style="list-style-type: none"> ➤ Tofā Manino i le aganu'u ➤ Kia Tūkatau te Tangata I tāna 'ua'orāī Peu ➤ Poto'i anga ➤ Pulotu–Aga Faka Niue ➤ Na matau kei na kila no tovo na vakarau ➤ Mau ake o to iloa ki te agānuku
Meaningful engagement To conduct ethical research with Pacific peoples there must be meaningful engagement. Effective face-to-face consultation is critical to establishing meaningful relationships with Pacific peoples.	<ul style="list-style-type: none"> ➤ Tāua o le pululimatagau fa'atasi ➤ Te 'Ō'ō'anga Tēta'i ki Tētai'i ➤ Fe'ilongaki ➤ Fakafetuiaga mahuiga ➤ Na veitaratara se cakacaka vata ka vakaibalebale ➤ Ko tau galuega e tatau o na ie i he uiga



<p>Reciprocity</p> <ul style="list-style-type: none"> ➤ Reciprocity should be a guiding principle for research relationships. It should be demonstrated in practical ways (eg capacity and capability building, reimbursement for time, accessible dissemination). ➤ Reciprocity in research requires that knowledge gained through research will be used to benefit research participants and (where relevant) other people. ➤ If knowledge acquired from research generates significant financial returns, then the people from where the original knowledge came must share in the financial gain from the research. 	<ul style="list-style-type: none"> ➤ Toe taui atu i ‘aulala aloa’ia ➤ Tauturu atu Tauturu mai ➤ Maka fetoli’aki ➤ Fe Tauiaga ➤ Na veidinadinati ni veisolisoli ➤ Loto Fakataualolofa ➤ Fakataufōki (o te, pe ko na tino hukuhuke ma te, pe ko na tino e fai ki iei na hukehukega)
<p>Rights</p> <ul style="list-style-type: none"> ➤ Research should not be detrimental to research participants, as individuals, as members of a community or as members of an identified ethnic group. ➤ Each individual, group or community has the right and freedom to make an informed choice as to whether to participate or not, in any research. ➤ Any risks inherent in a particular type of research must be made clear to the research participant and they must feel completely free as to their decision whether to participate or not. ➤ Participants must be able to withdraw at any stage of the research process with dignity and respect, and without any disadvantage. ➤ All research relationships are embedded with both rights and responsibilities. 	<ul style="list-style-type: none"> ➤ Amana’ia o aiā a tagata lautele po’o e o ‘auai ➤ Tō te Tangata au Tikia’anga ➤ Totonu fakaetangata ➤ Na dodonu ni tamata ya dua ➤ Tau Tonuhia ➤ Aiā
<p>Balance</p> <ul style="list-style-type: none"> ➤ Balance is critical when practising the ethical principles of Pacific research. ➤ Any research partnerships formed with Pacific peoples should be equitable and fair for both parties, engendering symmetry in the balance of power. 	<ul style="list-style-type: none"> ➤ Tafesilafa’i ➤ Kia Tau te Ravenga Paruru ➤ Pasapasanga malie ➤ Fakatataiaiga ➤ Na veivakatautauvataktaki ➤ Fakatutuhaga
<p>Protection</p> <ul style="list-style-type: none"> ➤ Primary knowledge that is based on experience and expertise belongs to the research participants and should be acknowledged as such. ➤ Where appropriate, researchers should take protective measures that will safeguard indigenous Pacific knowledge and knowledge-holders appropriately. ➤ Recognising that Pacific research relationships are often based on structural societal inequalities, care must always be taken to protect those less powerful. 	<ul style="list-style-type: none"> ➤ Malupuipua o e fa’asoa ma ‘auai ➤ Te au Rāvenga Pāruru ➤ Malu puipua ➤ Puipuiaga ➤ Na veitagonaki ➤ Puipuiga

Participation	<ul style="list-style-type: none"> ➤ Research that targets the Pacific population entails the participation of Pacific peoples at all levels of decision-making and implementation of the research project. ➤ Tapulima fa'atasi ➤ Kau ki he fekumi ➤ Te Piri'anga ki roto i te 'Anga'anga ➤ Hakahakauaga ➤ Na kena ugetime ra Okati taumada ka vakaivitaki ➤ Ke iei he hāo
	(Guidelines on Pacific Health Research, HRC, 2005)

Discussion: Pacific methodologies

In selecting a methodology that resonated with the world views of the Samoan and Tongan participants in this study, it was important to make explicit the foundational principles that not only underpin each of the ethnic-specific research models drawn on, but which also inform and define the ethical nature of the cultural face-to-face encounters between Pacific researchers and community leaders, and workers in provider organisations.

A research approach that is anchored by Pacific ethnic-specific principles assumes that:

- underlying causes of problem debt are motivated by aspirations to collective wellbeing and improving quality of life
- concepts such as *vā fealoaloa'i* and *vā fakafeagai*, which have the same or similar meanings, may nevertheless differ in Samoan and Tongan customs and practice
- ethnic-specific and Christian values and beliefs inform how familial resources are to be prioritised
- the meanings of relational-based concepts are universally understood by Pacific peoples.



Appendix 3: Organisation database

Organisation type	Service name	Address	Suburb	Postcode	Contact number
Budget	Mangere Budgeting Services Trust	59B Mahunga Drive	Mangere	2153	092752266
Community/ social service	Mangere Citizen's Advice Bureau	15 Orly Ave	Mangere	1024	092756885
Community/ social service	Mangere East Community Centre Advocacy Services	Massey Homestead, 351 Massey Rd	Mangere	2158	092756110
Community/ social service	Mangere East Family Services Centre	7 Hain Avenue	Mangere	2024	092560810
Community/ social service	St Anthony Family Support Services	20 Kirkbride Road	Mangere	2022	092755904
Community/ social service	Strive Community Trust (formerly known as Tamaki Ki Raro Trust)	16/34 Miro Road	Mangere	2022	096369792
Community/ social service	Te Wananga O Aotearoa	15 Canning Cres	Mangere	2022	092565900
Budget	Vaiola PI Budgeting Service Trust	Baptist Ch Bader Drive cnr Ashgrove Rd	Mangere	2022	092569639
Community/ social service	Auckland Cook Islands Support Services (ACISST)	40D Lovegrove Cres	Otara	2023	092735389
Budget	Budget Advice Service Te Tai-Awa O Te Ora	18 Otara Road	Otara	2023	092744220
Community/ social service	Crosspower Ministries Trust – Back to Learning, The Pearl Youth Centre	Unit 6, 28 Lovegrove Crescent	Otara	2159	092747966
Community/ social service	Manukau Pacific Islands Trust (MPIT)	Shop 4 Otara Town Centre	Otara	2159	092743425
Community/ social service	Otara Boards' Forum Inc	20 Otara Rd	Otara	2023	092714623
Budget	Otara Budgeting Service Incorporated	Shop 1 & 2, 46 Fair Mall, Otara Town Centre	Otara	2023	092746432
Community/ social service	Otara Citizens' Advice Bureau	Shop 1 & 2, 46 Fair Mall, Otara Town Centre	Otara	2023	092748327
Community/ social service	Problem Gambling Foundation (Manukau Branch)	366 Massey Road	Manukau	2022	0800664262
Community/ social service	Salvation Army (Family Breakthrough programme & Budgeting Service)	16B Bakerfield Place	Manukau	2104	092622332
Community/ social service	Te Whare Ruruhau O Meri	7/586 Gt South Road	Manukau	2104	092702631
Church/ social service	The Dream Centre	3 Lakewood Court	Manukau	2104	092612623

Organisation type	Service name	Address	Suburb	Postcode	Contact number
Community/ social service	Family Start Manukau	11 Dalgety Dr	Wiri	2104	092520197
Community/ social service	Sisters of Mercy Wiri	14 Trevor Hosken Dr	Wiri	2241	092636464
Community/ social service	Anglican Trust for Women and Children (ATWC)	10 Beatty Street	Otahuhu	1062	092763729
Budgeting	Christians Against Poverty (CAP)	PO Box 22246, Otahuhu	Otahuhu	1640	092700334
Community/ social service	LIA trust	12–16 High Street	Otahuhu	1062	092700380
Community/ social service	Society of St Vincent de Paul	47 Station Road	Otahuhu	1062	092704088
Budget	South Auckland Income Planning Service Otahuhu – Otahuhu Home Budgeting Service	12–16 High Street	Otahuhu	1062	092703546
Community/ social service	TOA Pacific Inc (Treasuring Older Adults)	214 Gt South Road	Otahuhu	1062	092764596
Community/ social service	Vietnamese Child & Family Protection Association	12 High Street	Otahuhu	1062	092700212
Community/ social service	Whare Mauri Ora Trust	12–16 High Street	Otahuhu	1062	092703337
Budgeting	Awhina Home Budgeting Service	3/4 Coxhead Rd	Manurewa	2102	092660569
Budget	Budget Accounting & Taxation Services Ltd	8 A Lupton Road	Manurewa	2102	092696538
Community/ social service	Camellia House Inc	Women's Refuge	Manurewa		092697100
Community/ social service	Family Works (national organisation) Presbyterian Support NZ	150 Gt South Road	Manurewa	2243	092691009
Community/ social service	Iosis	112C Russell Road	Manurewa	2102	092690050
Community/ social service	Manurewa Citizen's Advice Bureau	7J Hill Rd, PO Box 75 489, Manurewa	Manurewa	2102	092665729
Community/ social service	Randwick Park Community Centre	137 Shifnal Drive, Randwick Park	Manurewa	2105	092675941
Budgeting	St Lukes Church Budgeting Service (formerly Te Whanau Tuhonitia Trust)	St Lukes Parish, 3 Russell Road, PO Box 75102	Manurewa	2243	092663233
Budget	Community Budgeting Services	35 St George Street	Papatoetoe	2025	092790415
Community/ social service	Kidney Society	5 Swaffield Rd	Papatoetoe	2241	092781321
Budgeting	Manukau Urban Maori Authority	5–7 Shirley Road	Papatoetoe	2025	092777866



Organisation type	Service name	Address	Suburb	Postcode	Contact number
Community/ social service	Papatoetoe Citizen's Advice Bureau	35A St George Street	Papatoetoe	2025	092785191
Community/ social service	Pasefika Mana Social Support Services	91 Cambridge Terrace	Papatoetoe	2025	092794925
Budget	Training and Budget Service Inc	129 Great South Rd	Papatoetoe	2025	092799500
Budget	Christian Care Budget Service	25 Broadway	Papakura	1023	092988536
Community/ social service	Community Support Service Aotearoa	3 Jupiter Street	Papakura	2113	092991024
Budget	Papakura Budgeting Service Old Central Sch	57 Wood Street	Papakura	2110	092996881
Budgeting service	Papakura Christian Care Budget Service	Crossroads Church Community Building, 25 Broadway	Papakura	2244	092988536
Community/ social service	Papakura Citizen's Advice Bureau	4A Opaheke Rd	Papakura	2110	0800376222

Appendix 4: Invitation letter



Date 08 April 2011

To whom it may concern,

The Ministry of Pacific Island Affairs acknowledges that in the current economic period we are facing, many communities are experiencing financial and social hardship. Social service providers are a critical workforce and mechanism by which to assist those who may be suffering from this phenomenon.

In a recent report by the Families Commission it has been identified that Pacific communities suffer disproportionately and that there is a need to understand what factors contribute to problem debt for Pacific communities. Currently there is very little information on Pacific peoples' financial literacy, financial decision making and family debt.

The Ministry of Pacific Island Affairs is conducting a research project, funded by the Families Commission, to identify services that address debt and problem debt for Pacific communities. We are particularly keen to understand: what services are currently provided, how organisations respond to Pacific cultural dynamics, what the current outcomes are and your thoughts on best practice. This study will be conducted in selected suburbs with high proportions of Pacific peoples. We are writing to request your assistance.

Analosa Ulugia-Veukiso, a senior researcher, will be administering the survey interviews on our behalf. She will be in contact with you shortly to arrange an interview time at your service. The interview will take approximately 30 minutes to complete. In acknowledgement for your contribution to this study a token of appreciation in the form of a \$20 voucher will be offered. Please help us by taking the time to respond to this study.

The results of the survey contribute to, and develop an evidence-base on, Pacific problem debt with implications for government agencies, communities and further research.

A report summarising the survey results will be available to participating organisations should this be requested.

Sincerely,

Dr Lana Perese
Principal Analyst Research
Ministry of Pacific Island Affairs

Appendix 5: Information sheet



April 2011

Participant information sheet

Title: Pacific Debt Research

To: The participant (Manager of social service provider)

Researchers: Analosa Ulugia-Veukiso, 021 254 9844, email: analosaulugia@msn.com
Dr Lana Perese, (09) 262 6824; email: lana.perese@mpia.govt.nz

What is the purpose of the study?

This project is funded by the Families Commission to identify promising interventions, services, practices and opportunities requiring further development that enable Pacific families to address/prevent problem debt and achieve their financial goals.

There is a limited evidence base on how best to address Pacific problem debt and a lack of detailed understanding on the services, interventions and practices that support Pacific peoples to develop their financial literacy and avoid and manage problem debt. Evidently, the knowledge base on services, interventions and practices addressing problem debt, drivers for problem debt, enablers and barriers to help seeking remain inadequate to inform best practice.

There is a need to understand what factors contribute to problem debt for Pacific peoples and to develop in-depth understandings of these issues and appropriate pathways forward for addressing them.

Invitation to participants

This research project aims to gather information via two methods. One method is via a survey with service providers and the other is through qualitative focus groups with Pacific community representatives.

Your organisation is invited to take part in the service provider survey component of the research. Participation involves one survey/interview, taking approximately 30 minutes. We will meet at your place of work or an alternative location that is convenient to you at a time that is also convenient. We are interested in completing the survey with you and can answer any queries or concerns you may have.

Keeping what you share safe

Your assistance in this matter is greatly appreciated and anonymity is promised. The survey responses will not be marked with your real name or your organisation's name – a numerical code will be used instead – and this material and all other information you give us will be kept strictly confidential. If the information you provide is reported or published, this will be done in a way that does not identify you or your organisation as its source.

Please note that you do not have to take part in this survey/interview if you do not feel comfortable and that you can refuse to answer any particular questions, or cease involvement at any time. Agreement to participate is entirely voluntary and you may withdraw from the process at any time and ask any questions about the research at any time during participation. You have the right to withdraw any information/data up to 6th May 2011. If you decide to withdraw part way through the

process you do not have to give a reason, and any information you have supplied us with will not be used in the research and will subsequently be destroyed. Withdrawing from the project will not affect your organisation or term of employment in any way.

The researchers are intending to keep the data for up to six years after this research. During this period the data will be kept by Dr Lana Perese in a locked cabinet on the Ministry premises. After this period the data from interviews will be destroyed by shredding.

Research findings will be outlined in a comprehensive report to the Families Commission for wider distribution and to inform further research and pathways forward. Payment/koha/meaalofa will be offered to participants for any travel expenses incurred in this research.

What are the discomforts and risks?

There should be no discomfort or risks in your participation in this research. However, if you feel uncomfortable talking about the services provided by your organisation or experience any distress about your participation in the survey, please advise the research interviewer and/or team who are able to refer you on to services that can help.

Any questions?

If you have any queries or wish to know more please contact Dr Lana Perese, or any of the researchers on the above contact details.



Appendix 6: Consent form



Date 08 April 2011

Consent form

For survey/interviews (Manager of social service provider)

Title: Pacific Debt Research

Researchers: Analosa Ulugia-Veukiso, 021 254 9844, email: analosaulugia@msn.com

Dr Lana Perese, (09) 262 6824; email: lana.perese@mpia.govt.nz

This consent form will be stored for six years in a locked cabinet, separate from data, on the Ministry of Pacific Island Affairs' premises, before it is destroyed.

I have read the information sheet and have had the details of the research explained to me. My questions have been answered to my satisfaction, and I understand I may ask further questions at any time. I understand I have the right to decline to answer any particular question.

I understand that the survey/interview data collected will be marked with a numerical code and not my or my organisation's name, and that they will be kept strictly confidential. I agree to provide information to the researcher on the understanding that my name will not be used.

I understand that I am free to withdraw from the research at any time without giving a reason and that I have the right to withdraw my information/data up to 6th May 2011.

I understand that a report of the research findings will be sent to the Families Commission.

I agree to take part in this research under the conditions set out in the information sheet.

Signed:

Name:

Date:

Appendix 7: Interview schedule and prompts

FACE-TO-FACE INTERVIEW SCHEDULE AND PROMPTS

Zone 1: STOCKTAKE

- Can you walk me through the experience of someone discussing problem debt issues with you for the first time? What generally occurs?
- What type of service/intervention do you provide?
 - Face-to-face counselling
 - Handouts/worksheets
 - Group training sessions
 - Referral to other organisation (please list)
 - Other
- How often do you meet with clients? (**Note: More background info below**)

Zone 2: CULTURAL DYNAMICS

- In your experience is there a difference in the issues facing your Pacific clients compared to your non-Pacific clients?
- Why do Pacific people come to your service? (reasons for seeking help, why this particular service, what factors contribute to their problem debt situation)
- What kind of help do they look for?
- Are your Pacific clients influenced by cultural expectations? (For example, taking part in cultural, sporting, community or church activities/obligations, funerals, sending money to family in the Islands, unveilings)
- How does your service deal with the cultural expectations that influence Pacific clients' financial issues?

Zone 3: OUTCOMES

- What does a successful intervention or outcome look like for your organisation?
- How do you measure success?
- Is there a plan in place when a client exits from your service? What sort of ongoing support or follow up are arranged for clients who exit?

Zone 4: OPPORTUNITIES

- What do you feel could help stop other Pacific families from getting into bad situations with debt?
- Do you know of anything that you believe has helped Pacific families resolve their financial problems? (what? how?)
- In what ways could services be adapted to meet the needs of Pacific Island families?



OTHER

› Is there anything else you would like to share?

Proportion of Pacific clients	What proportions of your clients are of Pacific ethnicity? <input type="checkbox"/> All <input type="checkbox"/> Most <input type="checkbox"/> Some
Ethnicity	In terms of your Pacific clients, which of the following Pacific ethnicities are represented in your service? <input type="checkbox"/> Samoan <input type="checkbox"/> Cook Island <input type="checkbox"/> Tongan <input type="checkbox"/> Niuean <input type="checkbox"/> Fijian <input type="checkbox"/> Tokelau <input type="checkbox"/> Tuvalu <input type="checkbox"/> Mix (both Pacific) <input type="checkbox"/> Mix (1 Pacific + other) <input type="checkbox"/> Other
Gender	For your Pacific clients, is there a greater proportion of one gender that accesses your services, or is it a balanced mix? <input type="checkbox"/> Male <input type="checkbox"/> Female <input type="checkbox"/> Balanced mix (equal males and females) <input type="checkbox"/> Comment
Age	In terms of the age of your Pacific clients, what are the ages that access your services? <input type="checkbox"/> Under 20 <input type="checkbox"/> 21 – 30 <input type="checkbox"/> 31 – 40 <input type="checkbox"/> 41 – 50 <input type="checkbox"/> 51 – 60 <input type="checkbox"/> 61 – 70 <input type="checkbox"/> Over 70
Access	In general, how do your Pacific clients access your service? <input type="checkbox"/> Self-refer <input type="checkbox"/> Referred by other agency <input type="checkbox"/> Phone in and make an appointment <input type="checkbox"/> Walk in <input type="checkbox"/> Email <input type="checkbox"/> Internet support <input type="checkbox"/> Phone conversation <input type="checkbox"/> Other
Cost to clients	Is there a charge to using your services? <input type="checkbox"/> Free <input type="checkbox"/> Subsidised <input type="checkbox"/> User-pays (if so, how much) <input type="checkbox"/> Other (please list)
Service times	When is your organisation open? Does your service operate at times most appropriate to meet the needs of your clients?
Referral/waiting times	What are the waiting times for referral, consultation and intervention?

Appendix 8: Pacific focus group fono questionnaire

Introduction

Thank you for agreeing to take part in this research. Before we get to the questions, I need to go over some information with you.

GO THROUGH PARTICIPANT INFORMATION SHEET (Emphasise third-party confidentiality)

GO THROUGH GROUND RULES AND ETIQUETTE FOR FOCUS GROUP/FONO eg. :

- Be respectful of others:
 - Listen actively – respect others when they are talking.
 - One person talking at a time (for recording purposes).
 - Do not be afraid to respectfully challenge one another by asking questions.
 - Do not be afraid to share full and frank information.
 - Be conscious of body language and nonverbal responses – they can be as disrespectful as words.
 - Respect confidentiality within the group.

ZONE 1 – Understandings of, attitudes toward and perceived reasons for problem debt

1. What is problem debt?

Probe:

- When does debt become a problem?

2. Is debt a problem within your Pacific community?

Probes:

- If so, when does debt become a problem for Pacific people/families?
- As community leaders, how widespread do you think problem debt may be within our Pacific communities/families?

3. What do you think are some of the reasons why Pacific people may experience problem debt?

Probes:

- Do you think there are any Pacific social/cultural practices that might contribute to this?
- Cultural factors (*fa'alave/lave*, remittance, church)?
- Economic factors (income/employment/unemployment)?
- Other factors (social, environmental, education, health etc)?



4. Do you think the Pacific social/cultural practices/values mentioned inform or influence Pacific people's attitudes and practices in relation to debt?

Probes:

- To what extent do you think Pacific cultural practices relating to debt are a product of people's social and cultural values?
- Are such practices still relevant in the New Zealand context?
- Explore intergenerational perspectives (eg To what extent do you think the above practices around debt may be relevant to the younger New Zealand-born population)

ZONE 2 – Community/cultural responses to problem debt

5. Are there ways that cultural practices and values can be re-visited/reconciled to prevent and/or address problem debt?

Probes:

- If debt is a problem within Pacific communities, should Pacific churches play a role in addressing this?
 - If so, what role can Pacific churches play in relation to addressing problem debt?
- Does giving to church impact on family income?
 - If it does, should Pacific churches be expected to implement initiatives which may contribute to addressing problem debt among its membership?
- How has problem debt impacted on families?
- Are there certain models or practices that could be used to support family members affected by problem debt?
- Are there models or practices that Pacific families use to address or avoid problem debt?

ZONE 3 – Emerging and promising practices

6. If debt is a problem, how and what strategies have Pacific communities put in place to address this?

Probes:

- What successful strategies do you think Pacific peoples/communities have put in place to address problem debt?
- Explore formal and informal strategies/examples.
- Explore individual and collective strategies/examples.
- What initiatives are in place within Pacific churches?
- What initiatives are in place within Pacific families?

ZONE 4 – Understandings about financial literacy

7. What is financial literacy?

Financial literacy is defined as ‘...the ability to make informed judgements and make effective decisions regarding the use and management of money’.

Probes:

- What practices/services in our Pacific communities contribute to Pacific peoples' financial literacy?
- Would Pacific communities benefit from becoming more financially literate?
 - Are you aware of any support/services available to improve financial literacy for Pacific peoples?
 - What opportunities/support/services should be available to improve financial literacy?

ZONE 5 – Awareness and understandings of service provision

8. Govt agencies including not-for-profit organisations provide advisory and support services on issues including budgeting and problem debt.

Probes:

- Do you think people within our Pacific communities are aware of and understand the role that service providers play in addressing problem debt?
- Is there a general awareness of what service providers are available or does awareness need to be raised?
 - If so, how could ‘raising awareness’ within our communities be done best?
 - Do you think this would assist in reducing problem debt within Pacific communities?
- How accessible are service providers for Pacific peoples experiencing problem debt?
- If Pacific people aren’t aware of government and non-government organisation services available to help them address problem debt, what could/should community leaders of Pacific organisations do to assist?

9. Sorted is New Zealand’s free independent money guide, run by the Retirement Commission. It’s full of calculators and information to help you manage your personal finances throughout life.

Probes:

- Are you aware of this website and the financial advisory services it provides?
- Do you think others in your community are aware?
- If so, would you recommend it to your Pacific networks and communities as a valuable resource?
- If not, would you be interested in visiting this website which provides a range of financial advice including budgeting, insurance, saving, retirement, KiwiSaver, mortgages and managing debt?

ZONE 6 – Barriers and enablers to service provision/help-seeking

10. What are some of the barriers which might prevent Pacific peoples from seeking help (either primary or tertiary assistance) for problem debt?

Probes:

- How does problem debt impact on Pacific cultural values?
- Are there cultural barriers that discourage/inhibit Pacific people seeking help?
- Accessibility, awareness, cost, transport, cultural competence etc etc?

11. What are some of the enablers which might enhance Pacific peoples’ access to and utilisation of help services (either primary or tertiary assistance) for problem debt?

Probes:

- What sorts of services and delivery might resonate well with Pacific communities?
- How are services best delivered?
- Can you describe any examples of best practice?
- What might encourage Pacific peoples affected by problem debt to seek help?
- Could readily available resources such as the ‘sorted website’ be an enabling factor in raising awareness among Pacific people about the importance?

12. Is there anything else you would like to mention/discuss in relation to Pacific problem debt?

Fa’afetai



Appendix 9: Participant information sheet



April 2011

Participant information sheet

Title: Pacific Debt Research

Researchers: Dr Ieti Lima, (09) 265 3226, email: ieti.lima@mpia.govt.nz

Dr Lana Perese, (09) 265 3224, email: lana.perese@mpia.govt.nz

What is the purpose of the study?

This project is being undertaken by the Ministry of Pacific Island Affairs with funding from the Families Commission, to identify promising interventions, services, practices and opportunities requiring further development that enable Pacific families to address/prevent problem debt and achieve their financial goals.

There is limited information on how best to address Pacific problem debt and a lack of understanding on the services, interventions and practices that support Pacific peoples to develop their financial literacy and avoid and manage problem debt. This means that the information needed to develop and inform services, interventions and practices relating to problem debt is inadequate.

There is a need to understand what factors contribute to problem debt for Pacific peoples and to develop in-depth understandings of these issues and appropriate pathways forward for addressing them.

Invitation to participate

This research project aims to gather information via focus groups/*fono*. You are invited to participate in this study conducted by Dr Ieti Lima on behalf of the Ministry of Pacific Island Affairs. Participation involves one ethnic-specific (i. e. either Tongan or Samoan) focus group/*fono* with up to 12 participants, taking approximately 1 to 2 hours. Your views and experiences will be discussed with the researcher and other participants.

Keeping what you share safe

Your participation is greatly appreciated and anonymity is promised. The focus group/*fono* will be audio-recorded and notes will be taken, also written notes will be made from the recording. All written notes will be typed up and destroyed and your real name will be removed—a made up name will be used instead. This material and all other information you give us will be kept strictly confidential and at this point will remain anonymous. If the information you provide is reported or published, this will be done in a way that does not identify you as its source.

Please note that you do not have to take part in this focus group/*fono* if you do not feel comfortable. Agreement to participate is entirely voluntary and you may withdraw your participation or any comments you have made at any time during the focus group/*fono*. You also have the right to decline to answer any particular questions or ask any questions about the research at any time during participation. If you decide to withdraw part way through the process you do not have to give a reason.

Once the focus group/*fono* is complete your comments cannot be removed from our notes and recordings as we have no way of knowing which comments are specifically yours. However, if you are concerned later about comments you made in the focus group/*fono* please do not hesitate to contact any of the researchers above to discuss your concerns.

Confidentiality of the discussion had with others in the focus group/*fono* is expected and will be discussed further by the researcher before the research starts.

Data will be stored for up to two years after the publication of this research and will kept by Dr Lana Perese in a locked cabinet on the Ministry premises. After this period the data from focus groups/*fono* will be destroyed by shredding.

Research findings will be outlined in a comprehensive report to the Families Commission for wider distribution and to inform further research and pathways forward. A summary report will be provided for all participants and a full report can be available upon request. Payment/koha/meaalofa will be offered to participants for any travel expenses incurred in this research.

What are the discomforts and risks?

There should be no discomfort or risks in your participation in this research. However, if you feel uncomfortable talking about Problem Debt or experience any distress about your participation in the survey, please advise the research interviewer and/or team who are able to refer you on to services that can help.

Any questions?

If you have any queries or wish to know more please contact Dr leti Lima, or any of the researchers on the above contact details.

This project has been reviewed and approved by the Families Commission Ethics Committee. Any concerns can be directed to the Chair of the Families Commission Ethics Committee Sharron Cole 027 230 0281.



Families Commission research reports

- 1/05 *Review of New Zealand Longitudinal Studies*, May 2005.
- 2/05 *Review of Parenting Programmes*, June 2005.
- 3/05 *Beyond Zero Tolerance: Key issues and future directions for family violence work in New Zealand*, August 2005.
- 4/05 *Focus on Families: Reinforcing the importance of family*, October 2005.
- 5/05 *Methodologies for Analysing the Impact of Public Policy on Families: A conceptual review*, October 2005.
- 1/06 *What Makes Your Family Tick?*, March 2006.
- 2/06 *Review of the Empirical Literature Assessing the Impacts of Government Policies on Family Form*, April 2006.
- 1/07 *When School's Out: Conversations with parents, carers and children about out of school services*, February 2007.
- 2/07 *Moving On: Changes in a year in family living arrangements*, February 2007.
- 3/07 *It's About Time: Towards a parental leave policy that gives New Zealand families real choice*, August 2007.
- 1/08 *Elder Abuse and Neglect: Exploration of risk and protective factors*, January 2008.
- 2/08 *Putting the Kids First: Caring for children after separation*, April 2008.
- 3/08 *The Kiwi Nest: 60 years of change in New Zealand families*, June 2008.
- 4/08 *Give and Take: Families' perceptions and experiences of flexible work in New Zealand*, September 2008.
- 5/08 *Reaching Out: Who New Zealanders turn to for relationship support*, September 2008.
- 6/08 *Juggling Acts: How parents working non-standard hours arrange care for their pre-school children*, September 2008.
- 7/08 *New Kiwis, Diverse Families: Migrant and former refugee families talk about their early childhood care and education needs*, December 2008.
- 8/08 *Beyond Reasonable Debt: A background report on the indebtedness of New Zealand families*, December 2008.
- 1/09 *Family-centred Communities: The planning process*, February 2009.
- 2/09 *Finding Time: Parents' long working hours and the impact on family life*, May 2009.
- 3/09 *Beyond Reasonable Debt: The extent to which financial behaviour can explain over-indebtedness amongst New Zealand families*, August 2009.
- 4/09 *Family Violence Statistics Report*, August 2009.
- 5/09 *Supporting Kiwi Dads: Role and needs of New Zealand fathers*, December 2009.
- 6/09 *Escaping the Debt Trap: Experiences of New Zealand families accessing budgeting services*, December 2009.
- 1/10 *Changing Roles: The pleasures and pressures of being a grandparent in New Zealand*, February 2010.
- 1/11 *Caring for Kids: Parents' views on out-of-school services and care*, May 2011.
- 1/12 *Safety of Subsequent Children: International literature review*, January 2012.
- 2/12 *Safety of Subsequent Children: Māori children and whānau*, January 2012.
- 3/12 *One Step at a Time: Supporting families and whānau in financial hardship*, February 2012.
- 4/12 *Te Pūmautanga o te Whānau: Tūhoe and South Auckland whānau*, February 2012.
- 5/12 *Tūpuna – Ngā Kaitiaki Mokopuna: A resource for Māori grandparents*, September 2012.

Reports are available on the Commission's website or contact the Commission to request copies:

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