

Humanitarian Settlement Program

Financial literacy
Case Manager guide



Commonwealth
Bank

Table of contents

| | |
|---|----|
| Introduction | 1 |
| <hr/> | |
| Section One: Cost of living | 2 |
| <hr/> | |
| Section Two: Spend tracking and budgeting | 4 |
| Spend tracking worksheet example | 6 |
| Creating a budget worksheet example | 7 |
| <hr/> | |
| Section Three: Saving | 8 |
| <hr/> | |
| Section Four: Paying bills | 10 |
| <hr/> | |
| Additional reading: Scams | 12 |
| <hr/> | |

Introduction

This guide is an accompaniment to the HSP financial literacy activity book and makes reference to the activities and accompanying worksheets found there.

This is intended as a support for case managers to gain their own understanding and familiarity with the topics covered in the activity book. The core principles are foundational concepts, but are important practices when actively managing finances, whether new to Australia or not. For this reason it is most useful for you to try each of the activities yourself and reflect on your own experiences and lessons.

It is recommended to use this guide as part of the activity booklet, as activities are strengthened when guided by a case manager who understands challenges of completing these activities and can offer their own experience.

Each of the sections of the Case Manager Guide are outlined below and contain the following:

- A section outlining helpful preparation suggestions and questions.
- Links to related reading, intended to build greater understanding of the concepts.
- References to be utilised when working through the activities with the client.
- Suggested follow-up options to further solidify the learning.

The information contained in this pack is prepared without considering individual objectives, financial situation or needs. Individuals should consider the appropriateness to their circumstances.



Section one: Cost of living



Preparation checklist

- Try the activity yourself to get an understanding of the price range and cost of living comparison with other parts of the world.

 - Questions you may want to ask before starting this activity with your client include:
 - Who does the groceries in your client's household?
(If your client is not the grocery-buyer in the household they should certainly still do this activity to gauge the cost of living in Australia).
 - How many people are in your client's household?
 - Where in the world did your client previously live?
 - What region/suburb are they living in now?
 - What are the notable grocers and supermarkets that offer online shopping, rather than catalogues?
 - What kind of access to supermarkets, markets and grocers do they have?
-

Related reading:

- **Recipe Finder** (Foodwise)
A useful site for searching recipes by ingredients to reduce food waste:
<http://www.foodwise.com.au/recipe-room/our-recipe-finder/>

Activity references

Your client may ask the following questions, we've suggested a few actions or discussion points in response:

What is the average wage in Australia?

- Use Numbeo to look at the average gathered from users, or search for the latest ABS release of Average weekly earnings, Australia. This is released twice per year. Note that the figures are for full-time adult wages only, and would be lower if it included unemployed people and part-time workers. High income earners also make the average quite high.
- You may want to examine the cost of a grocery item in Australia as a proportion of the average wage, and compare this to same proportion in the client's country of origin.

Why are prices displayed by unit/weight/volume?

- Most supermarkets and large grocery stores are required to display unit pricing by the Australian Competition and Consumer Commission. Online retailers that sell a wide range of food items are also required to display unit pricing. You may not find unit pricing in smaller stores or stores that sell a limited range of grocery items. Not all grocery items must list the unit price.

Is it always better to buy the cheapest unit price?

- For items you use everyday or regularly (e.g. oil, toothpaste) it is more economical to buy the cheapest unit price but you may prefer a more expensive alternative because it's better quality. You may also find that the cheapest unit prices are for bulk purchases – but if you don't use all of that purchase and it goes to waste, it would have been better to spend less money on a smaller amount.

Follow-up:

Suggest that your client completes the take-home activity with another member of their household, for instance with their children, or if it is not them, the typical grocery buyer.

Your client may find that unit pricing isn't available in their local grocery store. It will be quicker to write down the price and weight/volume and figure out the comparison at home.

Ask your client in their next session whether they managed to complete the take-home activity and which of the supermarkets/grocers they found the best value for money.



Section Two: Spend tracking and budgeting



Preparation checklist

- Try to track your own spending for two weeks. One week is sufficient – but you will get a more accurate picture of your spending if you track it for longer.
 - The purpose of tracking your spending is to increase your awareness of where your money goes. It's important to remember your smaller purchases because these are the ones that can easily add up.
 - Categorise your spending as 'finely' as you wish. However, try to anticipate the questions that you want your tracking to answer, e.g. How much do I spend on coffee in a year? Do I spend more on take-away food than groceries? How much do I spend on petrol? Categories will vary depending on your lifestyle.
 - Common categories include: Groceries, snacks, eating out/takeaway, entertainment, transport, utilities, rent/mortgage, fees, health and fitness, and clothes.
 - Keep your receipts and/or check your recent transactions online at the end of each day. It's easier to remember what you've spent in the last day than the last week.

- Set yourself a budget after tracking your spend. Allocate a spending limit for each of your categories, on a weekly or monthly basis:
 - If your budget is practical it should reduce the amount of time you spend making financial choices, not increase them. Reflect on your budget to ensure it is realistic and comprehensive. Adjust it until it requires as little effort as possible to control your money, e.g. accounts dedicated to spending, saving and bills; use automatic withdrawals to anticipate your bills, etc.
 - Budget for 'fun' or 'entertainment' items as well. Otherwise it can be very difficult to stick to a budget in the long-term.

Activity references

Ask your client to estimate their spending for the week before they start tracking their spending to get a sense of how accurate their intuition for the cost of living has become.

Why do I need to track my spending?

- If you don't control your spending then your spending will control you – knowing what you spend your money on is important for finding savings and ensuring the best quality of life possible for your household.

How do I categorise my spending?

- Categorise your spending by the categories that will be most useful to you. (E.g. You may want to categorise groceries and snacks both as 'food' because you occasionally buy snacks with your groceries. However, if you intend to reduce your snacking to find savings then make 'snacks' a separate category).

How do I decide what to take out of my budget?

- Cutting spending is difficult and most people will struggle with it. The most important distinction to make is whether it's a need or a want. Does it effect the quality of your life in an enduring way? Can you go without it? Is there a cheaper alternative (e.g. borrowing a one-time-use item from someone else)?

An example of spend tracking is on the following pages (NB: the spending for 'utilities' would ideally be anticipated and evenly distributed over a number of days or weeks – this will be addressed in the 'Paying Bills' activity, also found in the following pages).

Follow-up:

Ask your client about how their actual spending compared with their forecasted spending. Did they overestimate or underestimate? They may have quite inaccurate estimates given that they are still familiarising themselves with a new country. However by articulating a guess and being able to compare it, they will gain an important awareness of the ongoing cost of living in Australia.

Ask your client how they feel their budget is progressing. Are there any problem areas they have identified? Were there infrequent expenses that they had to account for (e.g. water bills, medicine, gifts, etc)?

- Emphasise that budgets always need to change to suit a household's circumstances.
- Suggest a miscellaneous category in their budget for expenses that can't be anticipated. Make sure to add this to savings if it isn't spent.
- Be sure to congratulate them on sticking with their budget too!

Spend tracking worksheet example

| Category | Monday | Tuesday | Wednesday | Thursday | Friday | Saturday | Sunday | Total |
|--------------|--------------|----------|-----------------|----------------|----------------|----------------|----------|-----------------|
| Housing | - | - | \$400 | - | - | - | - | \$400 |
| Groceries | \$93 | - | - | - | - | \$33.22 | - | \$126.22 |
| Transport | \$40 | - | - | - | \$10 | - | - | \$50 |
| Utilities | - | - | - | \$59.95 | - | - | - | \$59.95 |
| Snacks | - | - | \$3.20 | - | \$3.20 | - | - | \$6.40 |
| | | | | | | | | |
| | | | | | | | | |
| | | | | | | | | |
| | | | | | | | | |
| | | | | | | | | |
| | | | | | | | | |
| | | | | | | | | |
| | | | | | | | | |
| | | | | | | | | |
| Total | \$133 | - | \$403.20 | \$59.95 | \$13.20 | \$33.22 | - | \$642.57 |

Creating a budget worksheet example

| Week one income | | | Week two income | | | Week three income | | |
|--------------------------|-----------------|---------------|--------------------------|-----------------|---------------|--------------------------|-------------|---------------|
| \$527.60 | | | \$527.60 | | | | | |
| Expenses | Amount (\$) | Need or want? | Expenses | Amount (\$) | Need or want? | Expenses | Amount (\$) | Need or want? |
| Rent | \$320 | Need | Rent | \$320 | Need | Rent | | |
| Groceries | \$80 | Need | Groceries | \$80 | Need | Groceries | | |
| Transport | \$25 | Need | Transport | \$25 | Need | Transport | | |
| Utilities | \$23.85 | Need | Utilities | \$27.85 | Need | Utilities | | |
| Snack | \$10 | Want | Snack | \$10 | Want | Snack | | |
| Clothing | \$50 | Want | Clothing | - | Want | Clothing | | |
| | | | | | | | | |
| | | | | | | | | |
| | | | | | | | | |
| Weekly total | \$508.85 | | Weekly total | \$462.85 | | Weekly total | | |
| Savings (income – Total) | | | Savings (income – Total) | | | Savings (income – Total) | | |
| \$18.75 | | | \$64.35 | | | | | |



Section Three: Saving



Preparation checklist

- Try this activity yourself
 - Be as precise as possible with the cost of your goal, down to the cent if possible. Include incidental costs like shipping and handling as well.
 - Having a goal gives purpose to your saving. Without having a carefully selected goal in mind it becomes easy to deviate from your planned savings.
 - Selecting a goal in the near-to-mid-term is important to simply practise the habit of saving. Reaching the goal is satisfying, but is less significant than the ability to save on a regular basis. For this reason it's important that your (and your client's) goal is realistic and can be achieved in a reasonable amount of time.

- Use the Money Smart savings goal calculator to help you calculate and to also count the interest you'll accumulate with a savings account over several months (or years):

<https://moneysmart.gov.au/saving/savings-goals-calculator>

Activity references

What does a transaction account refer to?

- This is a broad term to describe bank accounts that make money easy to access with a card. Often the interest rate on these accounts is not very high, and you generally won't accrue money for leaving your money there.

What is a savings account?

- This is a term to describe an account that has a relatively high interest rate, compared to transaction accounts. Ideally it should be difficult to access your money in this account, for instance it is only possible to do so in a bank or online. This makes it harder to spend or withdraw your money, so you can build your savings while earning a small amount of money from the interest.

What is an automatic transfer?

- Automatic transfers deduct a set amount of money from your account on a selected date, often a recurring one (e.g. the 12th of every month). They are best set-up and monitored through your online banking portal.

What are some ways I can remind myself of my goal?

- Use an image of your goal as a phone/computer wallpaper.
- Print out an image and put it in your wallet.
- If your online banking portal allows, 'nickname' your savings account after your goal.
- Stick a picture on the fridge or on the mirror, move it around frequently so you can remain aware of it.
- Share your goal with someone who will check in on your progress; or swap goals so you can check with each other.

Refer to the example below. NB: ensure the design of the goal progress contains the following:

- There will be 13 or 14 intervals in the diagram (probably 14), because this is six months worth of payment cycles, the maximum time frame we've recommended.
- The example should round up any cents. E.g. if the fortnightly savings amount is 28.33 it should just be \$29 for simplicity.
- The example should also be less than 14 payment cycles to show that you don't have to use the whole diagram.
- We don't need to put dates down exactly, just number payment cycles as #1, #2, etc. Counting down the number of cycles, rather than dates, still achieves a sense of progress and time passing so it should be largely the same.
- For example:
Goal \$400 (For a day trip to Jamberoo with the family)
Time frame four months/nine payment cycles
\$44.44 ~ \$45 per interval.

Follow-up:

Check in with your client frequently and reiterate that you can always change the date or the amount saved every week – it's better to get to a goal slower than to never reach it at all.

If you're comfortable sharing your savings goal and it is appropriate, offer your own experience and habits you've had to change in order to make savings a habit.



Section Four: Paying bills



Preparation checklist

- If possible find out:
 - Is your client responsible for paying the bills, or someone else in the household? (They should still be aware of when/whether bills are being paid in their own household, and can provide this activity to whoever is responsible).
 - Is your client aware of what all their bills are?
 - Have they received any bills?

- If your client hasn't received any bills, encourage them to keep contracts for utilities or services they have signed up for. Ask them to bring in their contracts for this activity instead. They should later store these in one place, whether digital or physical, for reference.

- Try this activity yourself and familiarize yourself with the payment method options. It is relatively simple and will accomplish two things:
 1. Increase awareness of when bills are due.
 2. Inform your client of the most efficient way to pay their bills.

Related reading:

- **Simple Ways to Save Money (Money Smart)**
A comprehensive list of tips for saving money to consider:
<https://moneysmart.gov.au/saving/simple-ways-to-save-money>
- **How to read your electricity/gas bill (Energy Made Easy)**
A comprehensive example of reading an electricity/gas bill:
<https://www.energymadeeasy.gov.au/article/whats-on-your-energy-bill/>

Activity references

How do I set up automatic bill payments (direct debits)?

- This can be done through your service provider. Look for details of an online account on your bill to register with your service provider and give your bank account details. Always ensure there is enough money in your account on the date of your deduction, or you may risk a fee.

How can I save money on my bills?

- There are plenty of tips online for specific utilities, which is worth seeking out. We recommend starting with Simple Ways to Save Money (Money Smart) for a comprehensive list:

<https://moneysmart.gov.au/saving/simple-ways-to-save-money>

What is Centrepay?

- Centrepay is a free voluntary bill paying service. Deductions come from your Centrelink payments and can be used to pay many types of bills, such as child care, electricity bills or rent. You can start, change or cancel deductions at any time.

How do I estimate what my bills will be?

- For electricity/gas use the following to estimate usage:

<https://www.energymadeeasy.gov.au/benchmark>

- Then use the following to estimate and compare costs, using the single rate for electricity:

<https://www.energymadeeasy.gov.au/>

- Phone plans will typically have a usage meter you can view when you log in to their online portal, or will have cost calculators on their website. Alternatively, read the contract thoroughly and estimate based on typical usage or the capped amount.
- According to the ABS, the average water consumption per household was 103kL per year during 2004–5. Referring to your client's water bill you can roughly estimate their water usage bills by finding their rate of use; for simplicity use the single water rate to multiply by 103kL.
- Refer to a copy of any rental agreements for housing costs.
- Refer to a copy of the contract for internet costs.

Follow-up:

Ask your client whether the bill calendar is working and have they been paying their bills on time, with minimal fees? Do they need electronic reminders, e-mail reminders? Should they be sharing their bill calendar with their family?

Ask whether they have encountered other bills that they need to add and ensure these are accounted for.



Additional reading:

Scams



Summary

A scam is an offer or scheme designed to trick you into giving away your money, personal details or information. Many people think that scams only target certain groups, such as old people or people who do not speak English well. However, anybody can be the victim of a scam.

This section is additional reading and to be used as a reference point for discussions around the issues of scamming.

Types of scams

1. Unexpected Money and winnings

Scammers invent convincing and seemingly legitimate reasons to give you false hope about offers of money. They pretend to be the government or a company that you know or trust. They can tell you that you have been specially selected to win money or prize. There are no get-rich-quick schemes, so always think twice before handing over your details or dollars.

2. Banking and personal information scams

Scammers use all kinds of sneaky approaches to steal your personal details. Once obtained, they can use your identity to commit fraudulent activities such as using your credit card or opening a bank account.

Scammers may often send you a letter or email, pretending to be from your bank, credit union or a government department, such as the Australian Taxation Office or Centrelink. The letter or email may offer you a tax return or increased Centrelink payments and asks you to send your credit card number, account number, online banking password or personal information.

- Never give your credit card, bank account or other financial details by email.
- Be careful of doing online banking in a library, internet café or other public area. Your personal details may be at risk.
- Banks and other legitimate companies will never ask for your financial details via email
- Government departments will never ask for your financial details via email.

If you've sent money or shared your banking details with a scammer, contact your financial institution immediately. They may be able to stop a transaction, or close your account if the scammer has your account details. Your credit card provider may be able to perform a 'charge back' (reverse the transaction) if your credit card was billed fraudulently.

3. Dating and Romance

Scammers take advantage of people looking for romantic partners, often via dating websites, apps or social media by pretending to be prospective companions. They play on emotional triggers to get you to provide money, gifts or personal details.

4. Jobs and Investment

If you are looking for a fast way to make money, watch out – scammers have invented all sorts of fake money-making opportunities to prey on your enthusiasm and get hold of your cash. You may receive a phone call or email offering an investment opportunity or other type of financial scheme at an extremely high interest or return rate or offered an early access to your superannuation, or gambling software that claims to pick winners of sporting events or stock market movements.

These scams may cause you to lose a lot of money and put you in debt.

Useful resources/tips

- **iDcare** – Is a free government funded service which works with you to develop a specific response plan to your situation:

<https://www.idcare.org/>

- **Government support** – Apply for a Commonwealth Victim Certificate that helps support your claim that you've been the victim of identity crime, and can be used to help re-establish your credentials with government or financial institutions:

<https://www.ag.gov.au/RightsAndProtections/IdentitySecurity/Pages/VictimsofCommonwealthidentitycrime.aspx>

- **Police** – Report a fraud by contacting local police on 131 444.
- **Password** – If you think one of your online accounts (e.g. your bank account, email, online shopping account or social networking site) has been compromised, you should change your password immediately. Most reputable websites provide step-by-step instructions for how you can recover a hacked account.
- **Security Software** – If you think your computer or device has been hacked or infected with malware or ransomware, use your security software to run a virus check if you think your computer has been compromised.