

## Centre for Applied Research in Economics

### Ngā Tāngata Microfinance Evaluation 2016: Toward greater impact and improved processes



## Preliminary Report December 2016

### Executive summary

New Zealand is unusual in not having a limit on the cost of consumer credit, and interest rates can legally exceed 500% annually. High interest consumer loans and excessive charges are a significant and growing problem, especially among low income families. Ngā Tāngata Microfinance (NTM) loans were launched in 2011 to contribute to social justice, providing a safe, fair, affordable credit option, and a pathway to financial and social inclusion. NTM offers two types of no interest loans. NILS® (No Interest Loan Scheme) is up to \$1,500 for personal and family wellbeing and/or asset building, including school uniforms, TVs, fences and car repairs. The second loan product, offered since 2012, is DRLS (Debt Relief Loan Scheme), up to \$3,000 for relief from high interest debt.

The aims of the research, funded by a grant from the J.R.McKenzie Trust, are to evaluate the impact of NTM no-interest loans on clients and communities, and to evaluate the effectiveness and efficiency of NTM processes. A third aim is to ascertain a continuing growth path for NTM. The fourth aim is to evaluate NTM's social justice contribution. For clients and their communities, NTM's objective is to provide a pathway toward financial inclusion and improved well-being.

This survey-based evaluation involves NTM clients and a control group of Budgeting Service clients who have not received NTM loans, Budgeting Advisors working with NTM, and NTM staff, governance, partners and stakeholders.

Budgeting Advisors are unanimous in their appreciation of the difference the NTM loans have made to the clients who qualify. They expressed a strong preference for the DRLS loans because of the significant relief the absence of excessive interest and fees makes to the potential for their clients to manage their finances and eventually become debt-free.

NTM clients are appreciative of the 'huge' difference the NTM loans have made to their ability to meet regular costs including food, to their peace of mind, and to their ability to move toward having an emergency fund thus avoiding the need for high interest borrowing in the future.

In the control group of Budgeting Service clients, 77% do not have any reserves or savings in case of an emergency, while 68% of NTM clients do not have any reserves or savings in case of an emergency.

Stakeholders, including NTM staff, governance and partners, see 'access' as the biggest barrier to NTM: "I don't think enough people know about them or know their availability."

The final report with full qualitative and quantitative analysis will be published in February 2017 at [www.ngatangatamicrofinance.org.nz/](http://www.ngatangatamicrofinance.org.nz/).

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## The research subject:

Ngā Tāngata Microfinance Trust Ltd (NTM), established in 2011, is led by trustees representing Child Poverty Action Group (CPAG), New Zealand Council of Christian Social Services, and New Zealand Federation of Family Budgeting Services; and Directors representing CPAG, Whanau o Tumanako (Maori Women's Welfare League), Methodist Mission's Lifewise, Mangere East Family Service Centre and an independent Director with bank and insurance expertise. Kiwibank is both a mentor and the provider of loan capital. The J.R.McKenzie Trust has funded operations since 2014. Presbyterian Support Northern, Mangere Community Law Centre and Good Shepherd Microfinance Australia and New Zealand (GSM) provide ongoing support. NTM was the first organization in New Zealand to be accredited by GSM as a NILS<sup>®</sup> provider.

New Zealand is unusual in not having a limit on the cost of consumer credit, and interest rates can legally exceed 500% annually. High interest consumer loans and excessive charges are a significant and growing problem, especially among low income families. NTM loans were launched in 2011 to contribute to social justice, providing a safe, fair, affordable credit option, and a pathway to financial and social inclusion.

NTM offers two types of no interest loans. NILS<sup>®</sup> (No Interest Loan Scheme) is up to \$1,500 for personal and family wellbeing and/or asset building, including school uniforms, TVs, fences and car repairs. The second loan product, offered since 2012, is DRLS (Debt Relief Loan Scheme), up to \$3,000 for relief from high interest debt.

NTM's loan criteria include being a client of a Budget Service, and having the willingness and capacity to repay the loan. NTM does not require collateral or guarantors for the loan, and does not use a collection agency in the case of non-payment, so trust in the client's willingness to repay is critical.

NTM's 'front line' primarily comprises participating Budgeting Services who provide free financial education and information to their clients. When a client meets the NTM loan criteria, and would benefit from an NTM loan, the Budgeting Advisor can suggest that option, and assist their client with making an application.

Initially available only in and around South Auckland, NTM loans can now be accessed throughout Auckland, Northland, the Waikato, Dunedin, Taranaki, Manawatu, and the Bay of Plenty, and members of the public can submit an enquiry through the NTM website.

As at November 2016, with loan capital of \$200,000 provided by Kiwibank, NTM had disbursed \$389,188 in NILS and DRLS loans to 187 clients, a 74% approval rate on enquiries.

## The research:

NTM has conducted internal evaluations annually as a tool to assess performance and plan future progress. This survey-based evaluation involves NTM clients and a control group of Budgeting Service clients who have not received NTM loans, Budgeting Advisors working with NTM, and NTM staff, governance, partners and stakeholders.

The aims of the research are to evaluate the impact of Ngā Tāngata Microfinance (NTM) no-interest loans on clients and communities, and to evaluate the effectiveness and efficiency of NTM processes. A third aim is to ascertain a continuing growth path for NTM. The fourth aim is to evaluate NTM's social justice contribution. For clients and their communities, NTM's objective is to provide a pathway toward financial inclusion and improved well-being.

The research project was approved by the University of Auckland Human Participants Ethics Committee on 19 August 2016, Reference Number 016816.

The research is funded by a grant from the J.R.McKenzie Trust.

## The researchers:

M.Claire Dale, PhD, Research Fellow, Centre for Applied Research in Economics (CARE).

Steffen Lippert, PhD, Director, Centre for Applied Research in Economics (CARE).

Erwann Sbai, PhD, Senior Lecturer, Department of Economics.

## Summary of the research project:

The project is to conduct a qualitative and quantitative Evaluation, involving the three distinct groups of i) NTM clients and a control group, ii) participating budgeting services, and iii) stakeholders including the governance team, staff and volunteers and collaborators. The methodology is interviewer-administered structured surveys using standardised questionnaires for each of the 3 groups. The interviews will be conducted by telephone.

Outcome and impact evaluation of the NTM loan products for NTM clients and the control group will be made using regression-discontinuity analysis, comparing the self-reported financial and mental well-being of Budgeting Service clients who received a NTM loan (ideally upon completion if clients have fully repaid the loan) with Budgeting Service clients who did not receive an NTM loan. Information on income and expenses is collected by the Budgeting Advisor at the first client interview, and during the loan application process. Thus clients have access to the record of their financial position prior to the NTM loan, and the supporting letter from the Budgeting Advisor provides a further indication of their emotional and psychological state at that time.

The impact on five variables: income, consumption, assets, financial capability and perceived quality of life, are investigated. For participating Budgeting Services and stakeholders, the survey questions are fewer and focus primarily on evaluation of the NTM service and products.

Survey participants' anonymity and privacy will be protected. Participation in telephone interviews will require 20 to 30 minutes. The survey responses will provide the basis for evaluation of the impact of NTM on clients and communities, and of NTM's processes. The client interview responses will reveal whether the NTM loans achieve their desired impact. As with evaluations conducted in previous years, analysis of the survey responses will inform NTM's future directions and developments.

## Research design:

For qualitative aspects of the Evaluation, NTM clients and control group, stakeholders, governance team of trustees and directors, and staff and volunteers were contacted by NTM by email, inviting them to participate, explaining that the interview would be by telephone and would be recorded, and included the Client Information Sheet and Consent Form (see Appendix 1). If they were willing to contribute, they were asked to reply with a date and time they would be available for the interview, and to provide the phone number where they could be reached. In the email, client and control groups and Budgeting Advisors (most of whom are volunteers) were offered their choice of a Warehouse voucher or petrol voucher in recognition of their contribution to the research.

Interviewers were familiarised with the survey process, including transcription of interviewee responses. A group of 4 interviewers was employed. Training of approximately 4 hours involved familiarity with and clarity around the survey questions, and developing an understanding the typical

situation of the client and control group participants. The transcribed interviews were uploaded to spreadsheets to enable qualitative and quantitative analysis.

To preserve privacy and confidentiality, a third party (not one of the researchers) separated the identifiers from the data before coding. The third party and the interviewers were required to sign a confidentiality agreement.

For quantitative aspects of the Evaluation, interviewee responses were collated using NVivo 11 software. Historical and current financial data, made available to the researchers by the interviewees, was analysed. Changes over time in numbers and types of loans, repayment rates, and locations of the applicants, are of particular interest.

Separate survey questionnaires were developed for the client and control groups, stakeholders, and Budgeting Advisors. The survey questions for client and control groups cover family and housing situations, age and education as well as income, debt and credit. The survey questions for stakeholders and Budgeting Advisors focussed more closely on NTM systems and processes, and possibilities for improvement. See Appendix 2 for the survey questions.

The impact of NTM on individuals and their families and communities, and the effectiveness and efficiency of NTM processes, will be assessed based on interviewee responses. The social justice impact of NTM is assessed from interviewee responses.

## Preliminary qualitative results

This preliminary report contains some statistical results of the survey, and samples of qualitative findings. A selection of responses from clients and control group, stakeholders, and Budgeting Advisors are reported. The final report, including the full qualitative and quantitative analysis, will be published in February 2017.

### Interviewee response rate

Survey participants:

25 Budgeting Advisors of 30 contacted

17 Stakeholders of 30 contacted

13 control group of 15 contacted

95 NTM clients of 156 contacted

Total interviews: 150

Total contacts: 231

**Response rate: 65%**

### Budgeting Advisors:

#### **Frequent responses Q2: The purpose of the NTM NILS loan**

- The clients I've helped with those loans have been with cars or car repairs, and no other way could they afford them. Without the car they can't keep their job or get children to the Dr.
- It actually helps balance our budgets and makes things a lot more worthwhile. It also gives them a bit of a purpose and a goal.
- It's absolutely a Godsend for me to actually help people that are struggling. I've actually had the ability with the no interest loan to help with people with purchases for their homes that they never ever believed they could achieve.
- It helps people who are on a low income, struggling with costs of living, high debts, to get a better standard of living if they can borrow with no interest, and get rid of the creditors that are chasing them.
- It is an opportunity for families who cannot afford to secure essential assets in their lives to acquire them without getting caught by third tier lenders.

#### **Frequent responses Q3: The purpose of the NTM DRLS loan**

- It is an opportunity for people to be debt free and understand to improve their financial situation, having the opportunity so they can plan for their future emergencies.

- I had someone come in and he said 'my loan doesn't seem to be going down.' I read in his contract fine print 144% interest rate, and I said 'No, the loan won't go down because you can't afford any more than the bare minimum' but he qualified for a DRLS loan and it is just wonderful to get that interest rate relieved and the debt will be repaid.
- I've got some clients that literally cannot get ahead - the interest is increasing and so the debt is increasing so the DRLS loan has been a real help to my clients.
- I've got a couple of clients who are just surviving, able to have enough to eat and pay their bills, because of this. It's a great thing, absolutely great.
- I worked out for one client that it would take the best part of 7 years to pay off 2 debts because of the interest rates of 25.5% plus the admin fees added every time a payment was made. The total she owed was \$1441. I received approval for a DRLS so immediately contacted her creditor for a full and final settlement amount. They would accept \$1,040 so the debt dropped by \$400 by having a lump sum repayment – another major plus to having access to DRLS. The client has very little income, the DRLS repayment is \$10 a week and she is clear in 2 years instead of almost 7.

#### Nga Tangata Microfinance clients:

##### **Q22: Do you have a household budget plan?**

Of 95 NTM clients, 79 have a household budget plan (83%).

##### **Q22A: Are you able to keep to the budget plan?**

Of 79 NTM clients with a household budget plan, 29 are able to keep to their budget always or most of the time (37%).

##### **Q24: Have you participated (or used) in any other financial education programme?**

Of 95 NTM clients, 5 have used or participated in a financial education programme additional to the Budgeting Service (7%).

##### **Frequent responses Q29D: Did the NTM no interest loan make a difference to your well-being & peace of mind?**

- Huge improvement. I used to think the truck was handy and didn't realize how much they charged until the Budgeting Advisor told me. I am now paying \$25 a week versus \$150 I was paying to the trucks.
- I tell you it has helped us immensely! I was struggling. It took a lot of weight off my shoulders. It was scary cos they were threatening to repossess our furniture.
- I was so distraught with worry over finance. The NTM loan changed my life.
- Yes, no interest loans and regular payments helped us. Now we're trying to become debt free.
- I was really stressed and it looked like I wasn't going anywhere. It was like chasing a rat. I would pay and then the interest would go on and the account fees and I could never catch up and get on top of it. The NTM loan changed my whole life!

##### **Q29J: Do you currently have any reserves or savings that you could use in an emergency?**

Of 95 NTM clients, 30 have some reserves or savings to use in an emergency (32%).

##### **Frequent responses Q30: Can you tell me the rough amount and interest rate of any loans you have now?**

- I don't have the interest of our mortgage. I have a personal loan with the bank but I do not know the interest rate on that. And I have the NTM loan and that is no interest.

- Creditcard \$1,300 at 17%, and a \$4,000 finance company loan because 2 family members died in Tonga and we all had to go. And my no interest NTM loan. I hope no more.
- NTM is the only loan, now.
- \$6,000 to WINZ, and the debt to Nga Tangata but they are both interest free. I have a credit card debt of \$11,000 I share with my partner but am paying that off with my KiwiSaver.
- I have a \$15,000 debt to a finance company at 12% interest, and the NTM loan.

**Q31: Would you borrow from a payday lender, truck (mobile truck) vendor or another provider of high interest loans?**

Of 95 NTM clients, 5 would take on a high interest loan if they were desperate (5%).

Control group/Budgeting Service clients with high interest loans:

**Q22: Do you have a household budget plan?**

Of 13 Budgeting Service clients, 8 have a household budget plan (61%).

**Q22A: Are you able to keep to the budget plan?**

Of 8 Budgeting Service clients with a household budget plan, 5 are able to keep to their budget always or most of the time (63%).

**Q24. Have you participated (or used) in any other financial education programme?**

Of 13 Budgeting Service clients, 5 have used or participated in a financial education programme additional to the Budgeting Service (38%).

**Frequent responses Q29G: What difference has that (high interest) loan made to how you use your money now?**

- It's made a huge change, for the bad.
- Initially my husband was paying for it and I just called it extra child support. But upon him not being able to pay for it, it significantly affects the way my children and I live. I have zero dollars for food every week. Zero.
- Made it harder. Made the budget tighter now.
- Just made me more aware of our financial situation. We've pretty much dug our toes in and have come to a place where we just need to get rid of our debt. As far as that loan goes we are aware that we do need to get rid of that too because we've had to use other things in the house as collateral - my TV, stereo unit and 2 of my computers. Those are things I can't afford to lose.
- I'm probably wiser doing that loan and that is to not do one of those again. That it is a mistake to do that. I learnt that that was not a wise decision.

**Q29J: Do you currently have any reserves or savings that you could use in an emergency?**

Of 13 Budgeting Service clients, 10 do not have reserves or savings they could use in an emergency (77%).

**Frequent responses Q30: Can you tell us the rough amount and interest rate of any loans you have now?**

- 2 loans with Instant Finance which have been joined into one. I don't know the interest rate.
- Overdraft with a bank (I think about 20% per year) and one loan with a finance company (I don't know the interest rate. They haven't been adding interest to it so it's at a standstill at the moment), and one outstanding loan to a payday lender (within a year I have to pay back double what I borrowed, so I guess as a percentage that is 100%).

- I don't know about the \$600 loan (payday) but I can tell you that my DTR loan amount without interest that I have to pay off is \$2,500 but with interest it is \$4,000 and I only just knew that through working with Nga Tangata. I only just found that out.
- We have 3 accounts with a payday lender: TV \$1500 left to pay; Swing Set \$350 left to pa; lounge suite \$1,300 roughly left to pay. I don't know the interest rate.
- With my store card I'm making repayments and that's 0 interest; VISA card limit is \$6,000 and the balance is just under \$4,000; with Work & Income there was an overpayment and I was convicted of benefit fraud so I'm paying back that with the other advances - it's about \$13,000. It should be less than that but let's say \$13,000.
- I don't know. I don't know. 3 loans, all running at the moment, with finance companies. I don't know what the interest rate is. Or the balance. Plus a loan from WINZ.

**Q31: Would you borrow from a payday lender, truck (mobile truck) vendor or another provider of high interest loans?**

Of 13 Budgeting Service clients, 5 would borrow from a payday or high interest lender in an emergency (38%).

[Nga Tangata Microfinance stakeholders/staff, governance, partners:](#)

**Q5: Do you discuss NTM with co-workers, friends or family?**

Of 17 stakeholder, all 17 discuss and promote NTM with co-workers, family and friends (100%).

**Frequent responses Q10: What would be the largest single change you would like to see in order to make NTM work better and provide more support for low income people?**

- Maybe look at the higher loan for people who are in higher debt. Maybe just raise that bar a wee bit.
- I guess less reliant on philanthropic support.
- Access I think is the biggest barrier to them at the moment.
- I don't think enough people really know about them or know their availability.
- There could be an additional workshop or something other than budgeting that may help clients to see money and finances in a different light.
- The ability for NTM to have secure access to resources which would raise their profile in a number of communities, and that kind of means operational resources and personnel, equipment etc so that there's a depth of operational ability to respond strongly to a wider range of communities.

## Appendix 1. Survey Information Sheet and Consent Form



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DEPARTMENT OF ECONOMICS

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Private Bag 92019  
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### Client/Participant Information Sheet

### Ngā Tāngata Microfinance Evaluation 2016: Toward greater impact and improved processes

#### The researchers:

M.Claire Dale, PhD, Research Fellow, Centre for Applied Research in Economics (CARE).  
Steffen Lippert, PhD, Director, Centre for Applied Research in Economics (CARE).

#### Interviewer: \_\_\_\_\_

#### The research:

The aim of the research is to evaluate the impact of Ngā Tāngata Microfinance (NTM) loans on clients and communities, and to evaluate the efficiency and effectiveness of NTM's processes. The key participants will include clients, Budgeting Advisors, staff, governance, key partners and stakeholders. New Zealand is unusual in not having a limit on the cost of consumer credit, and interest rates can legally exceed 500% annually. High interest consumer loans and excessive charges are a significant and growing problem, especially amongst low income families. NTM loans were launched in 2011 to provide a safe, fair, affordable credit option, and a pathway to financial and social inclusion. The loan criteria include being a client of a budget service, and the willingness and capacity to repay the loan. NTM offers two types of no interest loans. NILS, up to \$1,500, is for personal and family wellbeing and/or asset building, including school uniforms, TVs, fences and car repairs. The second loan product is DRLS, up to \$2,500 for relief from high interest debt. Initially available only in and around South Auckland, NTM loans can now be accessed throughout Auckland, Northland, the Waikato, Dunedin, Taranaki, Manawatu, and the Bay of Plenty. NTM is led by trustees representing Child Poverty Action Group, New Zealand Council of Christian Social Services, and New Zealand Federation of Family Budgeting Services, in partnership with Kiwibank and the J.R.McKenzie Trust. Presbyterian Support Northern and Good Shepherd Microfinance provide ongoing support.

We invite you to participate in this research because you are a client of a Budgeting Service that supports the NTM scheme. Your participation or non-participation will not affect your relationship with NTM.

Completing the interview will take about 20 minutes.

Your participation is voluntary, and you have the right to withdraw from this research at any time, and to withdraw any data traceable to you up to 4 weeks after the date of this interview, without giving a reason.

The interview will be either face-to-face or by telephone and may be recorded. You may choose to have the recorder turned off at any time without giving a reason. If the interview is recorded and transcribed, you will be given an opportunity to review and edit the transcription, and will have the right to withdraw from the study up to 4 weeks after receiving the transcript.

This research is being conducted to evaluate NTM: to assess its impact and provide guidance for improvement of its processes. This research is funded by a grant from the J.R.McKenzie Trust. The survey results will be published on the NTM website in August 2016:

<http://www.ngatangatamicrofinance.org.nz/>.

The information you provide by completing the interview will contribute to this evaluation, and will assist in the establishment of similar schemes in other areas. The information will be treated as confidential. The information gathered will be aggregated, and will be reported as "provided by clients" in the written evaluation and in subsequent publications. When the information you provide is reported/published, this will be done in such a way that its source cannot be identified. The consent forms, questionnaires and audio tapes will be retained in separate locked cabinets by the lead researcher for 6 years, as required by the University of Auckland Ethics Committee.

**Contact details for the researchers:**

M.Claire Dale, PhD, Research Fellow, Centre for Applied Research in Economics (CARE),  
Phone +64 9 923 6968 Email: [m.dale@auckland.ac.nz](mailto:m.dale@auckland.ac.nz)  
Steffen Lippert, PhD, Director, Centre for Applied Research in Economics (CARE),  
Phone +64 9 923 7193 Email: [s.lippert@auckland.ac.nz](mailto:s.lippert@auckland.ac.nz)

**Contact details for the Head of Department:**

Ananish Chaudhuri, Professor in Economics and Head of Department,  
Phone +64 9 923 8307 Email: [a.chaudhuri@auckland.ac.nz](mailto:a.chaudhuri@auckland.ac.nz)

**For any queries regarding ethical concerns** you may contact the Chair, The University of Auckland Human Participants Ethics Committee, The University of Auckland, Research Office, Private Bag 92019, Auckland 1142. Telephone 09 373-7599 ext. 83711. Email: [ro-ethics@auckland.ac.nz](mailto:ro-ethics@auckland.ac.nz). APPROVED BY THE UNIVERSITY OF AUCKLAND HUMAN PARTICIPANTS ETHICS COMMITTEE ON 19 AUGUST 2016 for (3) years, Reference Number **016816**.



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**Client/Participant Consent Form**  
**This Consent Form will be held for a period of 6 years**

**Ngā Tāngata Microfinance Evaluation 2016:  
Toward greater impact and improved processes**

**The researchers:**

Dr M.Claire Dale, Research Fellow, Centre for Applied Research in Economics (CARE), NTM founder.

Dr Steffen Lippert, Director, Centre for Applied Research in Economics (CARE).

**Interviewer:** \_\_\_\_\_

**The research:**

The aim of the research is to evaluate the impact Ngā Tāngata Microfinance (NTM) loans have on clients and communities, and to evaluate the efficiency and effectiveness of NTM's processes. The key participants will include clients, budgeting advisors, staff, governance, key partners and stakeholders. New Zealand is unusual in not having a limit on the cost of consumer credit, and interest rates can legally exceed 500% annually. NTM loans were launched in 2011 to provide a safe, fair, affordable credit option, and a pathway to financial and social inclusion. The loan criteria include being a client of a budget service, and the willingness and capacity to repay the loan. NTM is led by trustees representing Child Poverty Action Group, New Zealand Council of Christian Social Services, and New Zealand Federation of Family Budgeting Services, in partnership with Kiwibank and the J.R.McKenzie Trust. Presbyterian Support Northern and Good Shepherd Microfinance provide ongoing support.

**The client:**

I understand that I am invited to participate in this research because I am a client of a Budgeting Service that contributes to the loan scheme, and that my participation or non-participation will not affect my relationship with NTM. I have read the Participant Information Sheet, and understand the nature of the research and why I have been selected. I have had the opportunity to ask questions and have them answered to my satisfaction.

I agree to take part in this research. My participation is voluntary. I understand that I have the right to withdraw from this research at any time, and to withdraw any data traceable to me up to 4 weeks after the date of this interview, without giving a reason.

I agree to participate by completing the interview which will take about 20 minutes. I understand the interview will be either face-to-face or by telephone and may be recorded. I may choose to have the recorder turned off at any time without giving a reason. If the interview is recorded and transcribed, I will be given an opportunity to review and edit the transcription, and will have the right to withdraw from the study up to 4 weeks after receiving the transcript.

I understand the information will be treated as confidential. It will be aggregated, and reported as "provided by clients" in the written evaluation and in subsequent publications. When the information I provide is published, this will be done in such a way that its source cannot be identified. I

understand the consent forms, questionnaires and audio tapes will be retained in separate locked cabinets by the lead researcher for 6 years, as required by the University of Auckland Ethics Committee.

I wish to receive a summary of findings, which can be emailed to me at this email address:

\_\_\_\_\_.

Name: \_\_\_\_\_

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

**Contact details for the lead researcher:**

M.Claire Dale, PhD, Research Fellow, Centre for Applied Research in Economics (CARE),  
Phone +64 9 923 6968 Email: [m.dale@auckland.ac.nz](mailto:m.dale@auckland.ac.nz)

**Contact details for the Head of Department:**

Ananish Chaudhuri, Professor in Economics and Head of Department,  
Phone +64 9 923 8307 Email: [a.chaudhuri@auckland.ac.nz](mailto:a.chaudhuri@auckland.ac.nz)

**For any queries regarding ethical concerns** you may contact the Chair, The University of Auckland Human Participants Ethics Committee, The University of Auckland, Research Office, Private Bag 92019, Auckland 1142. Telephone 09 373-7599 ext. 83711. Email: [ro-ethics@auckland.ac.nz](mailto:ro-ethics@auckland.ac.nz). APPROVED BY THE UNIVERSITY OF AUCKLAND HUMAN PARTICIPANTS ETHICS COMMITTEE ON 19 AUGUST 2016 for (3) years, Reference Number **016816**.

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## Appendix 2. NTM Evaluation Participant Interview Schedule

### **Budgeting Service Client (treatment group - NTM clients):**

1. Male or female?
2. Ethnicity (*read out the options to be clear*)?  
New Zealand Pākehā; Māori; Pacific Island (specify); Asian (specify); Other (specify)
3. Relationship status (*read out the options to be clear*)?  
For example; partnered; sole parent; single
4. What is your age range:  
18 – 28; 29 – 38; 39 – 48; 49 – 58; 59 – 65; 65+
5. What is your highest educational qualification? (*read out options*)  
Secondary (high) school, NCEA level 1, 2, 3; University; Trade qualification (apprenticeship)
6. How many people usually live in your house (including children)?
7. Do you have dependent children under 18 years?  
If yes, what are their ages?
8. Do you regularly help other family members or friends with money or other assistance (Prompt -provides food, childcare assistance, transport)?  
If yes, how many?
9. How many times have you moved house in the last 5 years?
10. In the last 5 years, have you been in a situation where you were:  
sharing a house with another family; living in a boarding house; living in emergency housing? Or other difficult housing arrangement?
11. Do you a) rent your home (or board)? or b) own your home with a mortgage?
12. How many bedrooms in your house?
13. How long have you lived at your current address?
14. What is your rent a week?  
If not paying rent what is your mortgage a week?
15. Have your rent/mortgage changed in the last year?  
If 'yes', what was the last change in \$?
16. Are you in paid employment?  
If 'Yes', how many hours on average do you work each week?  
And if partnered then what is the combined total?
17. In each of the last 2 weeks what was the total income for your household after tax and including any tax credits (guide if necessary - and any other Accommodation or Disability Allowances or contributions from other members of the household)? (Prompt, some people's income varies from week to week, so we want to know what your income was for each of the last two weeks.)
18. Do you have a Community Services Card?
19. Do you receive Working for Families Tax Credits?
20. Are you receiving any of these benefits?  
If 'yes', what kind of benefit?  
sole parent, jobseeker (unemployment) (sole parent) (sickness), supported living, New Zealand Superannuation, Student Allowance
21. Do you receive other state assistance? (*read out the options to be clear*)  
Accommodation Supplement, Disability Allowance, Temporary Additional Support? (if 'yes' specify)

22. Do you have a household budget plan?
- If 'yes', are you able to keep to the budget plan?  
Always; most of the time; some of the time; occasionally; never.
  - If you are not able to keep to your household budget plan, what are the main reasons?
23. How long ago did you first see a Budgeting Advisor?  
When did you last see a Budgeting Advisor?
24. Have you participated (or used) any other financial education programme? (*read out the options to be clear*) For example: online Sorted, a bank's online calculator; community based programme (if 'yes' specify)
25. At the time you received any financial advice or education did you make changes?  
If yes, what changes?
26. Have you heard of Ngā Tāngata Microfinance (NTM)?  
If 'yes', have you discussed NTM with family, friends or co-workers?
- 27. Have you applied for a loan/s from NTM in the last 5 years?**
28. If yes, was the application successful? (*if 'no' move on to question 31*)
29. If 'yes' to a Nga Tangata Microfinance loan
- What was the purpose of the loan/s?
  - How much \$ was the loan for?
  - How many months did you have to repay the loan?
  - Did the loan make a difference to your well-being and peace of mind?  
PROMPT: on a scale of 1 to 5 where 1 is no improvement and 5 is huge improvement
  - What difference did that loan make to your family stress, at the time you received it?  
PROMPT: on a scale of 1 to 5 where 1 is no improvement and 5 is huge improvement
  - What difference did that loan make to how you used your money *at that time*?  
PROMPT: on a scale of 1 to 5 where 1 is no improvement and 5 is huge improvement
  - What difference has that loan made to how you use your money now?  
PROMPT Are you now able to buy more nutritious food, pay your rent, power and other regular bills on time?
  - Has that loan increased your weekly spending? i. Yes; ii. No
  - Has that loan made any difference to your ownership of assets, for example, new TV, new beds, new car, put more in your Savings Account, paid off a debt?
  - Do you currently have any reserves or savings that you could use in an emergency?  
If yes, then give an approximate amount.
  - Since your loan with NTM are you happier visiting your bank?  
PROMPT: on a scale of 1 to 5 where 1 is no improvement and 5 is huge improvement, have you now got a credit card, overdraft, personal loan?
30. Can you tell me the rough amount and interest rate of any loans you have now?  
house mortgage; overdraft; credit card; bank personal loan; Aotea Finance; Instant Finance; Pacific Loans; other secured personal loan; truck vendor; lease, payday loan, other
31. Would you borrow from a payday lender, mobile truck vendor or another provider of high interest loans?  
If 'Yes', what would be your reason?
32. What advice would you give to someone in trouble over money?
33. What would you say to the people who support and fund Ngā Tāngata Microfinance about the no interest loans?
34. Is there any else you would like to add?

### **Budgeting Service Client (control group):**

- Male or female?
- Ethnicity (*read out the options to be clear*)?  
New Zealand Pākehā; Māori; Pacific Island (specify); Asian (specify); Other (specify)

3. Relationship status (*read out the options to be clear*)?  
For example; partnered; sole parent; single
4. What is your age range:  
18 – 28; 29 – 38; 39 – 48; 49 – 58; 59 – 65; 65+
5. What is your highest educational qualification? (*read out options*)  
Secondary (high) school, NCEA level 1, 2, 3; University; Trade qualification (apprenticeship)
6. How many people usually live in your house (including children)?
7. Do you have dependent children under 18 years?  
If yes, what are their ages?
8. Do you regularly help other family members or friends with money or help practically (Prompt -provides food, childcare assistance, transport)?  
If yes, how many?
9. How many times have you moved house in the last 5 years?
10. In the last 5 years, have you been in a situation where you were:  
sharing a house with another family; living in a boarding house; living in emergency housing? Or other difficult housing arrangement?
11. Do you a) rent your home (or board)? or b) own your home with a mortgage?
12. How many bedrooms in your house?
13. How long have you lived at your current address?
14. What is your rent a week?  
If not paying rent what is your mortgage a week?
15. Have your rent/mortgage changed in the last year?  
If 'yes', what was the last change in \$?
16. Are you in paid employment?  
If 'Yes', how many hours on average do you work each week?  
And if partnered then what is the combined total?
17. In each of the last 2 weeks what was the total income for your household after tax and including any tax credits (guide if necessary - and any other Accommodation or Disability Allowances or contributions from other members of the household)? (Prompt, some people's income varies from week to week, so we want to know what your income was for each of the last two weeks.)
18. Do you have a Community Services Card?
19. Do you receive Working for Families Tax Credits?
20. Are you receiving any of these benefits?  
If 'yes', what kind of benefit?  
sole parent, jobseeker (unemployment) (sole parent) (sickness), supported living, New Zealand Superannuation, Student Allowance
21. Do you receive other state assistance? (*read out the options to be clear*)  
Accommodation Supplement, Disability Allowance, Temporary Additional Support? (if 'yes' specify)
22. Do you have a household budget plan?  
a. If 'yes', are you able to keep to the budget plan?  
Always; most of the time; some of the time; occasionally; never.  
b. If you are not able to keep to your household budget plan, what are the main reasons?
23. How long ago did you first see a Budgeting Advisor?

When did you last see a Budgeting Advisor?

24. Have you participated (or used) in any other financial education programme? (*read out the options to be clear*) For example: online Sorted, a bank's online calculator; community based programme (if 'yes' specify)

25. At the time you received any financial advice or education did you make changes ?

If yes, what changes?

26. Have you heard of Ngā Tāngata Microfinance loans (NTM)?

If 'yes', have you discussed NTM with family, friends or co-workers?

27. **Have you applied for a loan/s from any source in the last 5 years?** (prompt: a high interest source?)

28. If yes, was the application successful? (*if 'no' move on to question 31*)

29. If 'yes'

a. What was the purpose of the loan/s?

b. How much \$ was the loan for?

c. How many months did you have to repay the loan?

d. Did the loan make a difference to your well-being and peace of mind?

PROMPT: on a scale of 1 to 5 where 1 is no improvement and 5 is huge improvement

e. What difference did that loan make to your family stress, at the time you received it?

PROMPT: on a scale of 1 to 5 where 1 is no improvement and 5 is huge improvement

f. What difference did that loan make to how you used your money *at that time*?

PROMPT: on a scale of 1 to 5 where 1 is no improvement and 5 is huge improvement

g. What difference has that loan made to how you use your money now?

PROMPT Are you now able to buy more nutritious food, pay your rent, power and other regular bills on time?

h. Has that loan increased your weekly spending? i. Yes; ii. No

i. Has that loan made any difference to your ownership of assets, for example, new TV, new beds, new car, put more in your Savings Account, paid off a debt?

j. Do you currently have any reserves or savings that you could use in an emergency?

If yes, then give an approximate amount.

k. Since your loan are you happier visiting your bank?

PROMPT: on a scale of 1 to 5 where 1 is no improvement and 5 is huge improvement Have you now got a credit card, overdraft, personal loan?

30. Can you tell me the rough amount and interest rate of any loans you have now?

house mortgage; overdraft; credit card; bank personal loan; Aotea Finance; Instant Finance; Pacific Loans; other secured personal loan; truck vendor; lease, payday loan, other

31. Would you borrow from a payday lender, truck (mobile truck) vendor or another provider of high interest loans?

If 'Yes', what would be your reason?

32. What advice would you give to someone in trouble over money?

33. What would you say to the people who support and fund Ngā Tāngata Microfinance about the no interest loans?

34. Is there any else you would like to add? (possible prompt only if needed: about availability of high interest loans ? about the affect of high interest loans on their budget)

## **Budgeting Service (Advisor, Manager, Field Officer), social worker:**

1. On a scale of 1 to 5, where 1 is of little benefit and 5 is of great benefit, how would you rate the contribution of Ngā Tāngata Microfinance (NTM) to the financial situation for your clients?
2. What is your understanding of the purpose of the Ngā Tāngata Microfinance NILS loan?
3. What is your understanding of the purpose of the NTM DRLS loan?
4. What are your comments on the process and delivery of the NILS and DRLS loans?

5. On a scale of 1 to 5, where 1 is a little and 5 is a lot, are you able to be more helpful to your clients through having access to the NTM NILS and DRLS loans?
6. On a scale of 1 to 5, where 1 is of little benefit and 5 is of great benefit, can you rate how helpful the NTM loan manuals are?
7. On a scale of 1 to 5, where 1 is of little help and 5 is of great help, how adequate and helpful is the service and support you receive from NTM staff?
8. What suggestions would you make to improve NTM's systems or services?
9. How do you think NTM could improve its NILS or DRLS loans?
10. Do you discuss NTM with co-workers, friends or family?
11. Do you think there is a role for NTM in offering small no or low interest entrepreneurial loans to your clients [Yes or No]?
12. Are there other kinds of loans or other financial products that would be helpful for your clients?
13. What stops you from supporting more of your clients to make applications for NTM loans?
14. Have you any other comments you would like to make in regard to the work of NTM?
15. In New Zealand, it is legal to charge 500% interest on a loan. Would you vote for a limit on the total cost of borrowing?
16. Is there anything else you would like to say?

### **Internal and External Stakeholders, NTM Trustees, Directors, Staff and volunteers, and Kiwibank, PSN, Shakti and other collaborators:**

1. On a scale of 1 to 5, where 1 is of little benefit and 5 is of great benefit, how would you rate the contribution of Ngā Tāngata Microfinance (NTM) to financial inclusion and social justice for its clients?
2. What is your understanding of the purpose of the NTM NILS loan?
3. What is your understanding of the purpose of the NTM DRLS loan?
4. What are your comments on the process and delivery of NTM's NILS and DRLS loan?
5. Do you discuss NTM with co-workers, friends or family?
6. How do you think NTM could improve its products?
7. What suggestions would you make to improve NTM's systems or services?
8. Do you think there is a role for NTM in offering small no or low interest entrepreneurial loans?
9. What other loans or other financial products would be helpful for low income people and their communities?
10. What would be the largest single change you would like to see in order to make NTM work better and provide more support for low income people?
11. Have you any other comments you would like to make in regard to the work of NTM?
12. In New Zealand, it is legal to charge 500% interest on a loan. Would you vote for a limit on the total cost of borrowing?
13. Is there anything else you would like to say?