

The story of the 4US Savings Group

A Micro Savings Resource: How setting up a Savings Circle helped a special group of people work together and achieve their goals



Some members of the 4US Savings Group





Celebrating the 4US Savings Group

This book celebrates the achievements of the 4US Savings Group.

Congratulations to all the members of the group and thank you to the people who have worked and walked alongside the group members to assist them reach their goals.

The 4US Savings Group currently includes Carolyn Harbottle, Joanne Green, Paul O'Dea, James Taylor, Catherine Byrne, Sarah Healy, Stephen Lewis, Jean Tongue, Shannon Duffy, Nathan Foott, Anne-Marie Gutteridge, Daniel Niven, and John Monson. The group has been supported for the past four years by Sue Williams from Community Living Association Inc.

The 4US Savings Group would like to thank the following people, who have contributed in important ways to its success and achievements:

Previous group members

Dave Green

Queensland Community Credit Union

The staff at Community Living Program

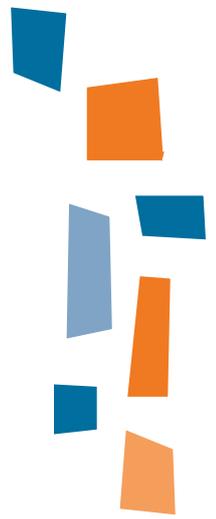
The staff at Nundah Community Enterprise Co-operative

Mischelle from ARROS

Workers at Foresters ANA Mutual Society

Volunteer Neville Manning

Team Effort



Introducing the 4US Savings Group

This is the inspiring story of the 4US Savings Group – a group of people who have been working together since 2003 to save money.

The group regularly celebrates its milestones. Recently the members celebrated reaching a \$10,000 bank balance in its combined group savings account and have been excited to watch their savings continue to grow.

The 4US Savings Group is a micro savings initiative started by the Community Living Program (CLP) in Nundah, a northern suburb of Brisbane. CLP works with people with intellectual disabilities and most of the members of 4US Savings are constituents of CLP.

While saving money is the group's reason for being, its success is also based on other factors, including: regular meetings where members make their savings deposits; its social nature; involving all its members in decision making; and, being a place where group members have learnt about money and about working together.

The members of the group, with appropriate and adequate support, have created a true community-based asset. The group's sense of ownership and pride is very strong. Group members genuinely enjoy their regular meetings and benefit greatly from the associated social connectedness that comes with meeting regularly and working together to help each other.

About this booklet

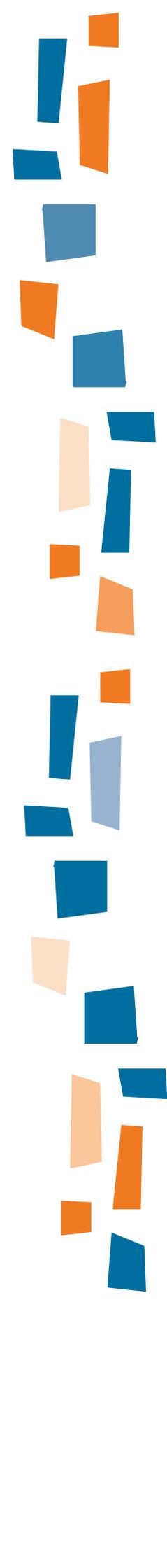
It is the intention of this booklet to celebrate the 4US Savings Group and its achievements - and to tell its story so that other groups may benefit from its knowledge and experience.

The booklet is designed to be a resource that other workers and groups can use to form a microfinance group that builds their own capacity to save money, learn new skills and strengthen their community connections.



The most important lessons from the 4US Savings Group experience are:

- Don't rush - take things slowly!
- Be flexible;
- Include everyone in sharing information and decision making; and,
- Involve community members whose skills will assist to resource the group.



Setting the Scene

The significance of the 4US Savings Group's ever growing savings cannot be overestimated, because most members had never saved money before.

Many CLP constituents have difficulty with numeracy and literacy. They have found it difficult to make money last. When CLP was established in 1989 it found that many constituents had a boom/bust lifestyle, particularly when they hadn't had the support of parents or others in money management. They had money to spend in the first few days of pension week and then went without and often hungry in the non-pension week. No one CLP worker had any savings.

Money management became one of the areas for which people looked to CLP for support. Workers and constituents focussed on individual money management plans amongst other ways of helping to learn about managing and handling money better. But constituents were still having difficulty setting up effective savings methods.

Eventually a CLP worker suggested trialling a micro savings group. A group was formed in May 2003 with the support of a facilitator from Foresters ANA Mutual Society. Foresters ANA assisted the group to develop guidelines for operating, set up a common bank account, and generate group structure and processes.

Since then, the 4US Savings Group has been meeting every fortnight, on pension Friday, for four years. The 14 members of the 4US Savings Group (at the time of writing) bring the money they want to save to each meeting. This is recorded in their personal deposit books and in the group's ledger, and the combined savings deposits are banked into the group bank account. The group processes provide a supportive structure in which people meet, decide on a savings goal and save money together.

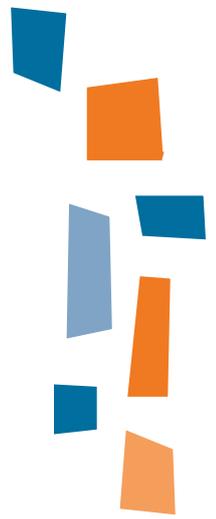
The recent celebration of reaching a \$10,000 savings balance in its common bank account is in addition to members achieving a number of their personal savings goals. Some of these include having saved and paid for holidays, car expenses, a vacuum cleaner, stereo and kitchen items. One member stated that he just wanted to save with no goal in mind, and has now saved more than \$1,000.

Introducing Microfinance

The microfinance models that Foresters ANA Mutual Society works with are based on the values that were an integral part of the original friendly society movement: mutual aid, self-help and reciprocity. These values have guided Foresters ANA's work in the contemporary setting help groups of people develop Savings Circles and Savings and Loans Groups.

Friendly societies existed all over Australia in the 1800s. Members of these societies gathered in their local Friendly Society hall for social contact and to make their weekly financial contribution to the society fund. The small regular contribution by all the members created a pool of money that the members could then draw upon in times of sickness, unemployment or the death of a family member. The fund ensured members and their families would be looked after and the social connections created from the regular meetings also strengthened communities.

This mutual aid – looking after yourself and others at the same time – was the first type of microfinance activity in Australia. It is this microfinance tradition that the 4US Savings Group is built upon.



How does the 4US Savings Group work?

What is a Savings Circle?

The 4US Savings Group is based upon a Savings Circle model, where members pool their savings contributions, which are recorded individually against their name but are deposited into a common bank account.

Questions about the regular savings deposit amount, where and how often the group meets, how deposits will be recorded, where the money will be banked and when and how people can access their savings are all determined by the group members to suit the groups' particular needs and situation.

The group processes provide a supportive structure in which people meet, decide on a savings goal, deposit savings contributions at each meeting and save money together.

Sustainability

Microfinance groups like 4US Savings have the built-in objectives of being community-based and sustainable in the long-term. This means that the ownership of the group lies with the group members and all decisions are made by and for the group. There are a number of important aspects that contribute to the ongoing sustainability of a group like 4US Savings, which are discussed in more detail in this section.

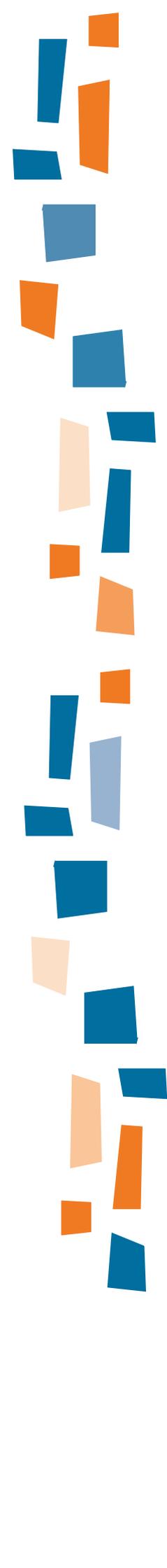
One of the most important elements for generating sustainability is relationship building. Strong relationships between all of the group members are created through taking time, not rushing, making decisions by consensus and having fun together. Time and effort needs to be invested in understanding what each member wants from the group, encouraging members to participate consistently and to agree on and adhere to the group rules. This effort can be slow work to start with but is crucial. It creates the 'social glue' that keeps the group going, and for the members of 4US Savings it has created a strong network of friends for people who were previously socially isolated.

The importance of knowing the group's purpose

A microfinance group such as 4US Savings needs to have a defined purpose that keeps the group focussed. Everyone in the group should agree on this purpose and it can change over time as the group members' needs change.

The story of the 4US Savings Group started in 2001 when some CLP constituents were saving money individually with support from CLP workers. The purpose of this original savings program was to provide a supported, structured and successful savings experience. After some discussion the workers and constituents decided to form a Savings Circle and the 4US Group was born in 2003. The aim was to enable members to support and encourage one another to save regularly and to share the benefits of regular saving - and regular social gatherings - amongst group members.

Encouragement



Group members

Microfinance groups are a voluntary, cooperative activity and group members need to be able to develop trust and openness safely with each other. For this reason it is a good idea to start out quite strategically with regards to who is a member and the number of members in the group.

When the 4US Savings Group first started it had six members. Not everyone in the individual savings project decided to join, so the group looked for other members within the CLP constituency and the community. Community Members have always been people known to the CLP constituents. If new people are interested in joining they are asked to meet with the support worker and to attend a group meeting. Acceptance into the group is decided by all the group members.

Initially it was felt that by keeping group numbers relatively small, members would be more able to develop trust and openness in a safe and supportive environment. There are now ten CLP constituents and four community members in the group, with interest growing each month. The group is now in a position in which it will need to decide whether to become even larger, or to help a new group get started.

Support

Microfinance initiatives like Savings Circles can be supported in their establishment by working with an organisation familiar with microfinance methodologies and community development, such as Foresters ANA Mutual Society. Once groups are up and running they can then operate self-sufficiently.

On an ongoing basis, it is important for Savings Circles involving people with intellectual disabilities or other people who have difficulty managing money to build appropriate support into the structure of the group.

For the 4US Savings Group this additional support, in the form of a support worker, helps to keep meeting agendas on track, assists with decision making processes and ensures the security of group members deposits and record keeping.

The 4US Savings Group also includes community members who also benefit from saving, while at the same time have the skills to assist with record keeping and supporting other group members to save.

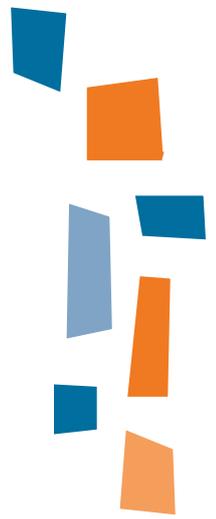
This level of support from the broader CLP community has been an important part of the 'glue' that keeps the group rolling along from week to week, to ensure all the small jobs like record keeping, get done properly.

Having a base

Having a familiar place to meet, that is casual and that everyone can get to, has been very important for the 4US Savings Group.

The 4US Savings Group meets every second Friday at the Espresso Train Café in Nundah. This café is one of the social enterprises established by Nundah Community Enterprises Co-operative Ltd. It employs a number of CLP constituents in the kitchen, so is a very familiar venue where constituents feel comfortable, are known and supported by the staff and are able to travel to easily.

Celebration



Opening a bank account

In order to avoid fees and to set up a group bank account, new groups might have to shop around a little and be prepared to negotiate. Be firm in wanting a fee free account and to be able to open a group account with more than one signatory.

The 4US Savings Group deposits its accumulated savings each fortnight into a joint account held with the Queensland Community Credit Union (QCCU). The group looked at the mainstream banks, but received a better offer from QCCU because of a personal relationship that exists there. Because the group meets in Nundah where there is no QCCU branch, a way of safely depositing the fortnightly contributions into the account was needed. The deposits are made at the end of each meeting into the Commonwealth Bank via the local Post Office. It is then transferred to the QCCU account.

An added incentive to save

The 4US Savings Group developed an incentive system that involves a bonus paid each time a member makes three savings deposits. The bonus is calculated by adding together the three deposit amounts and finding 10 per cent of that total. For example if a member saves \$5.00, \$7.00 and \$15.00 the total deposits equal \$27.00 and the bonus would therefore be \$2.70. This amount is recorded against the members' name in the record ledger and their personal deposit book. The group has set a maximum bonus amount of \$50.00 each in any one year.

The bonus money was initially sourced from a \$200 grant from Community Living Association Committee when the savings group first formed. In following years the group has raised funds by having a stall at a Sunday market and from sponsorship. Now that the group's total bank balance has surpassed \$10,000 the bonus payments are sourced from the interest earned in the account. Group members often talk of the sense of pride and achievement they feel when they know they've earned a bonus by making three consecutive deposits.

Group guidelines (or 'rules')

Group members must together decide things like: Where and when will the group meet? Where will the combined savings deposits be banked each fortnight? How much do members need to contribute / save each meeting? What happens if someone leaves the group? How and when can members withdraw money from their savings?

All of these questions need to be answered and agreed upon by all group members and this can take some time, usually several months, before all the 'rules' for running the group smoothly are decided. But once this process is completed, microfinance groups usually run very smoothly and groups can deal with any questions that come up much more easily. The rules are open to ongoing negotiation, as long as the group agrees with any changes.

Some of the guidelines that the 4US Savings Group follows are discussed next and you will see that they have evolved as the group has developed. The group's Rules are also included in the Resources section of this booklet.

“I'm saving up for a holiday”



Group Jobs

The group originally decided on four 'jobs' which were shared around at each meeting: Chairperson, Secretary, Treasurer and Helper. This was important at that time as there were many discussions to be had about the running of the group. These days it is usually about three or four people who volunteer each meeting to process the savings deposits. These people support members to fill in their deposit books, record each deposit in the group's ledger book and take the deposits to the bank. This also means no one person alone can withdraw money from the account.

Deposits

Originally, members were asked to deposit a minimum of \$10 per fortnight. However, gradually this rule became more flexible. There is now no minimum amount that members have to save, and the basic requirement for membership is to participate by attending meetings. Within that setting members are encouraged by other group members to make a deposit, even as little as 10 cents. This has helped many new members develop a savings habit that they wouldn't have otherwise.

Savings Goals

During the first couple of years the group aimed to support each other in setting specific goals and working towards achieving them. Each member had to set a savings goals and rules were formulated by the group regarding criteria for withdrawal from the savings account (see below). This was partially a protection mechanism to safeguard members from spending their money impulsively but it also supported the group's main aim to save consistently. Over time the focus has shifted to offering the newer members of the group the experience of 'just being able to save'. Some group members have very defined savings goals and others have the goal to simply save money.

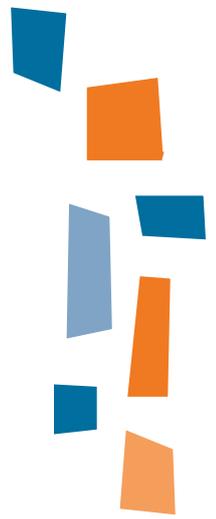
Withdrawals

A member making a withdrawal from their accumulated savings must state at the group meetings what they will spend the withdrawal on and all members must agree on this. Three members must sign cheques being written for withdrawals. This encourages members to keep each other 'on track' with savings goals and has helped foster an openness and honesty between members. Each member is allowed one withdrawal per year for emergencies.

Most members have chosen to be signatories on the bank account so that when a withdrawal is requested three members are easily able to be accessed to sign a cheque.

“We celebrate our savings”





Record Keeping

Microfinance groups need to develop easy-to-use systems for collecting people's regular deposits, record keeping, depositing money in the bank and keeping records and materials secure and confidential.

The 4US Savings Group has developed a practical system that involves these steps:

1. Collecting deposits.

A large pencil case was purchased and is used to place members' savings deposits in at each meeting. This is then carried by two members to the bank for depositing the money into the account.

2. Recording deposits and bonuses.

Each member also has a personal deposit book, which they bring along to each meeting. The deposit and any bonuses due are recorded by the member in their deposit book.

Each deposit is also recorded against the member's name in a ledger book, by the treasurer. Each member has their own page in the ledger. If a bonus is due after three deposits, this is calculated and also recorded. The helper then double checks the amounts that have been recorded against each person's name.

The Treasurer then double checks the ledger totals are equal to the cash deposited.

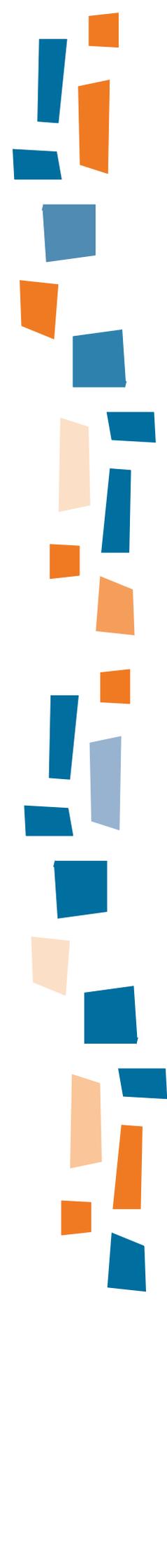
Monthly statements from the bank account are regularly compared with balances in the ledger and any adjustments made. The group also accesses net banking to ensure balances are up to date.

3. Keeping records safe.

All documents associated with the group such as meeting minutes and the ledger book are kept in a box in the CLP office for safe keeping. This helps ensure member's details are kept private within the group.



Sharing



Other important things that make the 4US Savings Group work

Casual

During the early years of establishing the group's processes, meetings were more formal. Over time members became more familiar with the financial processes and got to know each other better. These days, meetings take an hour at most and are a hive of activity and conversation. Members are keen to come and make their deposits and catch up with everyone. It has become a very social regular gathering. When there are things that need to be discussed about the group it usually happens across the table in a very informal way.

Celebrations

The group celebrates milestones like reaching certain savings targets and members' birthdays by going out to Sizzler for a group meal, or by sharing a cake or drink at the Espresso Train Café.

Group Expenses

The 4US Savings Group funds have gradually increased over the years to afford the group other small benefits in addition to the bonuses they earn on their individual savings balances. If the group decides they need a new resource, such as the new plastic box in which to store records, this purchased item is recorded and reimbursed by the group. Birthday cards and cakes are also reimbursed by the group.

Friendship

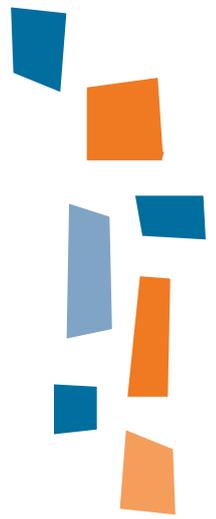
Some of the most important outcomes of the 4US Savings Group have been the new friendships that have developed from people meeting each fortnight, learning about each other's hopes and goals and working together to achieve them. Every fortnight two of the group members play a game of chess together, while other members chat over coffee or hot chocolate. The gatherings are sometimes so rowdy, that other Nundah community members come by the café wanting to join the 'club'.

Flexibility

An important part of the development of the group over four years has been the ability to be flexible with the group's rules in order to change with new circumstances. For example, relaxing the minimum savings contribution rule has enabled more people to join and start saving smaller amounts.

Open Communication with the Bank

As a group's savings balance grows this may have tax implications. The 4US Savings Group was able to handle this by writing to their bank to claim tax-free status as a not-for-profit group. New groups are also encouraged to aim towards an open relationship with the bank where their account is held to help address these kinds of issues if and when they arise.



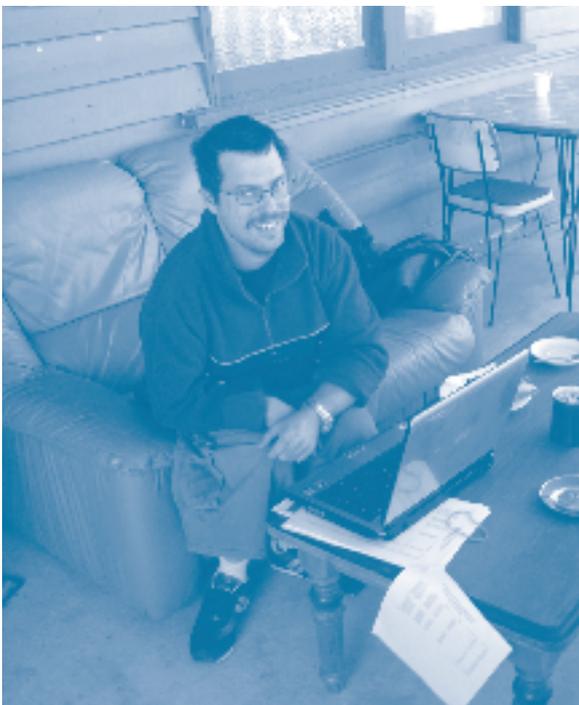
Where to now?

The 4US Savings Group is a well established and successful Australian microfinance story. With more than \$10,000 in the bank, and more people approaching the group to learn how they did it, or to enquire about joining, they have some important decisions to make.

Some group members have been talking at presentations to other organisations who are interested in working with people with intellectual disabilities, to teach them about saving and money. The group will also need to decide whether it will keep growing in numbers, or provide support to help a new group get started.

Some people have suggested investing some of the money to help it grow even faster than it does with the bank account interest. The group and support staff are currently having a lot of interesting discussions about this exciting possibility.

All of these questions are to be discussed and addressed by the group in agreement, and at the moment members are happy to continue coming to their regular meetings, socialising and seeing their savings continue to grow.



Working together

Appendix 1.

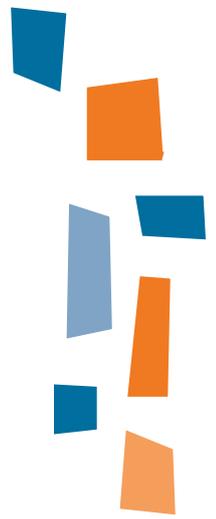
4US Savings Group Rules

These Rules were completed and unanimously decided upon in 2004. Now that the group has been going for a number of years and members are comfortable with how it is running some of these rules are a bit more relaxed, but it is important for every new Savings Circle to start with Rules everyone agrees upon and adheres to.

1. Members are encouraged to come along to all the meetings even if they cannot make a deposit.
2. The group agreed to continue to make decisions even though some members may not be there.
3. Jobs to be done at each meeting will be shared around – Treasurer, Helper and people to deposit savings at the bank. This is to be decided at the beginning of each meeting and recorded on the minutes.
4. The “Savings Group” file will be kept in a locked filing cabinet at C.L.P. The information is only to be looked at by group members and the 4US Savings Group support worker.
5. If a mistake is found in the record book, the current treasurer should fix it and notify the other treasurer who made the mistake.
6. Withdrawing money can only be accessed at group meetings. In case of emergency see Sue.
7. The maximum number of people in the group should be 15.
8. Information shared at the group should be kept private and confidential.
9. One emergency withdrawal per year. After that it becomes a group discussion.
10. Not more than \$50.00 bonus to be paid to each member in one year.
11. If you change your goal you would have to let the group know.
12. An emergency is a breakdown of something important, or a health issue.
13. Record the goals at the front of the book. And members are able to keep it private.



Companionship



Appendix 2.

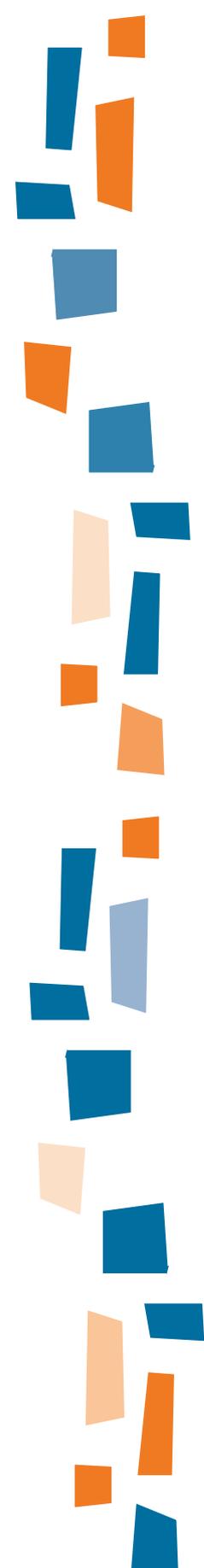
Here are some important tips for starting a Savings Circle:

- You don't need any special skills to get started.
- You need to just talk to the people you know or are working with, sow some seeds, encourage others, circulate the information, then get everyone together for a chat.
- It's helpful if people already know one another, live close by or belong to the same group or organisation.
- Take time to share information with all interested people – this is a slow process but a good process.
- Be mindful of including everyone at this stage.... Make meeting times when everyone can come and meet at a place where everyone feels comfortable.
- Work out together what further information everyone needs and what the next steps are. Take those steps as a group.
- It can be a bit messy in the beginning, for example finding times to suit, but once these things are sorted out, it gets easier.



“Makes it easier to save”





Appendix 3.

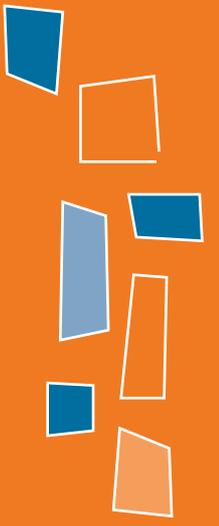
Things which will contribute to the success of a Savings Circle

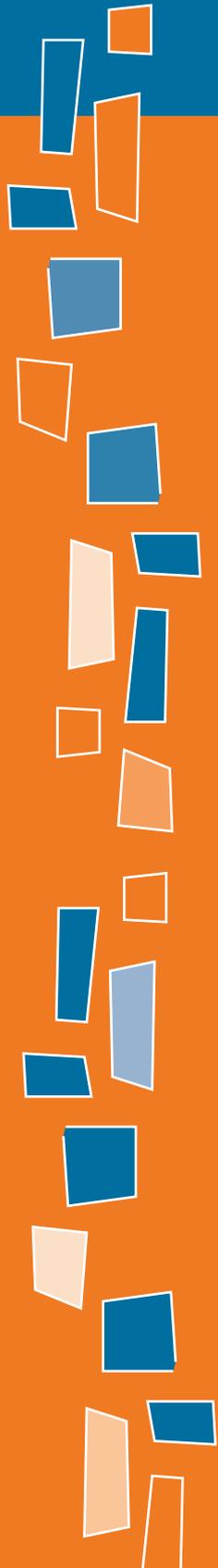
- Members live in the same area or are connected to the same organisation
- Members are connected in some way
- Meeting venue is accessible to all members
- Shared tasks
- Take time to make decisions
- Change rules collectively, when needed
- Trust
- Food and fun
- Support and understanding
- Jobs can be done by any member, sometimes support might be needed
- Openness
- Simple recording and administration
- Flexible
- Clear rules that are written down
- Some outside support for resources
- A good number of members. Not too big, not too small

“Since I started here I worked out
I could save at my own bank”



Achievement





The 4US Savings Group

is auspiced by the Community Living Association Inc.
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*Community Living
Association*