



Charity gives, justice changes.



Research shows microfinance is a vital stepping stone in overcoming poverty.

Research to be launched on Sunday October 16 by Good Shepherd Youth & Family Service and National Australia Bank (NAB) finds that people on the poverty line are good money managers but must constantly juggle finances to make ends meet.

People interviewed as part of this research reported that getting a small loan gave them the confidence and breathing space to embark on a course of education, training and employment or simply look after the needs of their family.

“This is exactly what microfinance is about - linking people in with their communities, helping people participate in life’s opportunities and improving their financial confidence”, Good Shepherd Youth & Family Service CEO, Robyn Roberts said.

Tanya Corrie, author of *Microfinance and the Household Economy* said “life is tricky and really complicated for many people; a number I interviewed were dealing with mental health issues, had fled violent relationships or were rebuilding life after prison. They were all juggling multiple financial priorities but felt the pressure was eased by a microfinance loan”.

“Amber had been left with bad debts from an abusive partner two years ago. Without her own transport, Amber had been taking the bus with her children, or taxis to get the groceries home. With a no interest loan she paid for driving lessons and got her license. Although money is still tight, Amber feels more in control and is able to get out and enjoy more activities with her children”.

Ms Corrie believes that “the impact of microfinance is most effective when linked to other important supports such as volunteering and specialised employment programs. We have to recognise that poverty, and its causes and effects, are complicated, and as such require a range of service and policy responses. A microfinance loan can form a stepping stone to better financial health but it cannot replace an adequate income and meet large ongoing expenses; other supports are crucial”.

NAB Personal Banking Group Executive Lisa Gray said that financial exclusion remained a key issue in Australia.

“This year the *NAB/CSI Financial Exclusion Indicator*, found one in seven Australian adults are either fully or severely excluded from accessing basic financial services, such as a transaction account or a small loan, leaving them susceptible to predatory lending practices”.



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“Addressing financial exclusion is an issue that NAB is passionate about, which is why we have committed \$130 million into microfinance programs, many of which are run in partnership with Good Shepherd, to support the financially excluded.”

“We are also committed to making banking more accessible and providing Fair Value to customers – a strategy which is shaking up the banking industry for the better,” Ms Gray said.

The *Microfinance and the Household Economy* research report has been funded by the Australian Government Department of Families, Housing, Community Services and Indigenous Affairs.

NAB and Good Shepherd Youth & Family Service have worked together since 2003 to develop microfinance solutions to help Australians living on low-incomes access to fair, safe and affordable financial services. Our work with NAB and local community organisations across Australia has assisted more than 30,000 people previously excluded from mainstream banking access loans and savings.

Our microfinance partnership has developed programs that include StepUP low interest loans and the AddsUP savings plan. Support from NAB has also enabled the expansion of the No Interest Loan Scheme (NILS) nationally.

For more information please contact

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