Centre for Community Child Health

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Reducing money worries to improve caregiving, and health and wellbeing

By connecting families to financial wellbeing services, Healthier Wealthier Families reduced family stress, improved knowledge and increased annual income by an average of $6,504.

Financial wellbeing and the early years

During the first 1000 days of life (conception to 2 years), the human brain develops more rapidly than at any other time, laying the foundation for ongoing health and development. Financial hardship can disrupt this foundational period and undermine the health and wellbeing of children and families.

In Australia, one in three families with young children cannot afford essentials such as food, housing or healthcare. Parents who experience financial hardship report triple the levels of poor mental health (36% vs 11%). This can affect parenting, the child-parent relationship, and the home learning environment. Strengthening the financial security of families can enhance the environments that help children to thrive.

Healthier Wealthier Families

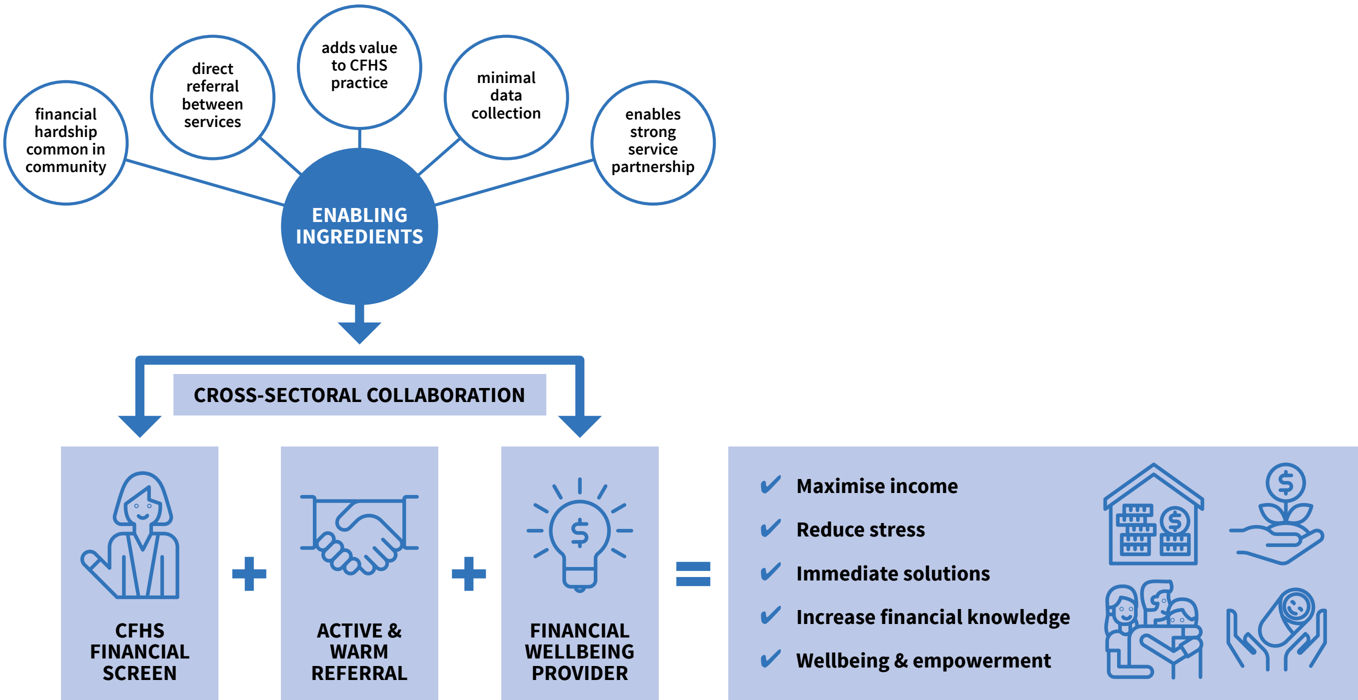
Financial wellbeing services are funded by state and federal governments, and freely available in the community. They are designed to help clients access services and entitlements, and support those experiencing financial hardship and distress. Healthier Wealthier Families (HWF) works to connect financial wellbeing services with the community-based Child and Family Health Nursing Services (abbreviated throughout as CFHS, and also known as CaFHS, CHaPS, and Maternal and Child Health). This is an early intervention model whereby CFHS practitioners start asking families about experiences commonly related to

Healthier Wealthier Families

financial hardship. This includes whether they have been able to afford essential items in the last month (such as food, rent/mortgage payments, healthcare), or if they have been out of paid work. By identifying financial challenges early, Healthier Wealthier Families works to improve economic and wellbeing outcomes for families, and benefit parenting, child-parent relationships and the home environment.

Increasing awareness and uptake of support

Healthier Wealthier Families is an adaption of a successful model used in Glasgow, Scotland to reduce financial hardship and promote families' health and social opportunities. In 2010, the Scottish Government funded a partnership between the National Health Service, local government, and the community sector, using their early years workforce to identify and refer families to community-based money advice workers. By 2020, 10 years after it began, it had generated over 26,000 referrals and over £36 million in financial gain for families. It is now cited as a requirement of Scotland's Child Poverty Action Plan for families of young children.



Key elements of Healthier Wealthier Families (CFHS: Child and Family Health Service)

In Australia, the Healthier Wealthier Families model was developed and pilot tested for feasibility and acceptability in sites across metropolitan and regional Victoria and New South Wales in 2020–22. A feasible model was developed in a diverse, outer-metropolitan area of Victoria. Here, two-thirds of clients experiencing financial hardship engaged with the financial counsellor (44 caregivers in total). Common challenges were utility debts (73%) and obtaining entitlements (43%), and material aid or emergency relief (27%). Financial counselling helped caregivers increase income from government entitlements by an average of $6,504 annually ($125 p/week) plus $784 from other sources such as concessions, grants, brokerage, and debt waivers. Caregivers described benefits including reduced stress, practical help, increased knowledge, and empowerment.

Boosting financial wellbeing for more families

To reduce financial hardship for more families, we need to understand the benefits of HWF at scale. Implementing and evaluating HWF with more communities will show how the partnership between health and social sectors can improve the financial and mental health experiences of Australian families with young children. Analysis of the benefits, costs and implementation of HWF will also contribute to building understanding of scaling and adaptation for other services.

If you would like to learn more about Healthier Wealthier Families or are interested in partnering with us to support scaling of this initiative, please contact hwf.study@mcri.edu.au.

How Healthier Wealthier Families reduced financial stress

"Because when you have nobody … you haven't thought anybody can help you."

Sarita's story

Sarita* is a mother of two pre-school aged children who worked until her first child was born. Postnatal health issues prevented her from returning to work at the end of her maternity leave. Financially this was not a significant issue at the time, because her husband had his own business, which was doing well enough to cover their living expenses. However, with COVID-19 pandemic restrictions, business revenue declined leaving Sarita and her family to survive off savings, the early release of superannuation under a COVID-19 scheme, and her husband's Small Business Grant payments which became available due to the impact of COVID-19 on his business. Due to Sarita and her husband's visa status, they were not eligible for government benefits. Sarita and her husband had a mortgage on their house and Sarita's sister had been able to help with this expense, however, the family was experiencing significant stress and having to access emergency relief for food and other supplies.

At Sarita's first contact with the financial counsellor, money from savings, superannuation withdrawals and government COVID-19-related grants were nearly depleted. Sarita couldn't see how she and her family were going to meet ongoing financial commitments. Sarita had previously asked for and received moratoriums on most debts, but these had ended and creditors were not prepared to extend them or negotiate reduced payments. Her current debts included four credit cards ($14,000, $16,000, $2,000 and $5,000). The family also had an outstanding hospital bill of $3,000 and an old utility bill of $1,000. Sarita and her family were behind on utility payments and had received a disconnection notice. Sarita had been able to advocate for herself for hardship considerations with some of her debts, but was becoming concerned that she had run out of options and was overwhelmed with the rapidly increasing credit card debt. The family sacrificed daily living expenses and medical needs trying to make repayments, but they were overcommitted financially and felt their financial future was uncertain. Sarita's primary goal was to be free of credit card debt.

> *"I couldn't speak to anybody about it. So, she's the one who I am open with … open myself and explain my situation. And I got a very positive response from that time, so it was easy for me after that."*

How financial wellbeing services helped Sarita

For Sarita, the financial counsellor acted as an advocate with all creditors. They obtained and collated supporting documents about Sarita's health and financial position and presented a case on behalf of Sarita for compassionate and financial hardship considerations. All creditors were willing to come to mutually acceptable outcomes, either long-term or permanently. Creditor one agreed to two extensions of a moratorium with interest frozen. They were reluctant to waive the debt entirely, due to the amount and the fact that there was an asset with the family home, and that the family's financial situation had a good possibility of improving. They indicated they were open to re-assessing the situation at the end of the moratorium period, which may include another request for a waiver or a full and final offer. Creditor two agreed to a full and final settlement of $9,000 and Sarita decided to use her Hardship Released Superannuation money to finalise the matter. Creditor three waived the debt in full and Sarita wanted to keep the card from Creditor four because she was using it for groceries and believed she could now afford the minimum repayments. The old utility debt was waived, and it was agreed that they would wait until contacted by the hospital to resolve the outstanding bill. During the time the case was open (over seven months), the hospital didn't approach Sarita about the outstanding bill.

The financial counsellor sought further advice on Sarita and her husband's eligibility for assistance under their class of visa and found they were eligible for Family Tax Benefits. Sarita was encouraged to put in an application to Centrelink and speak to a Centrelink Financial Information Services Officer about other potential payments. Regarding utility arrears, Sarita was unaware that a Utility Relief Grant was available to her, so the financial counsellor helped facilitate this.

> *"[Before] I was crying all night, like 'what I can do?'. This kind of stress. So now, it's not like that."*

Sarita's reflections

Sarita was initially hesitant about accepting the financial counselling referral. It took her many weeks to return the financial counsellor's phone call and get support. However, taking the step to accept help and become connected with the financial counsellor meant that she then felt less alone in her stress. The financial counsellor was able to help her organise her priorities, explain her options, and then advocate on her behalf. Receiving a positive response from the financial counsellor and getting the help she needed meant that Sarita then felt greater confidence in being able to manage her financial arrangements in the future. She could see a clearer path to a more secure financial future for her and her young family, and consequently experienced better health because of her reduced stress. Sarita explained that the amount of help that she received exceeded her expectations. She did not think it was possible to improve her financial situation to that extent.

Vanessa's story

Vanessa* is a single mum of two pre-school aged children, who recently separated from her husband due to family violence. While she has worked casually in the past, recent illness has prevented her from working in the short-to-medium term. Vanessa was unsure about when she would be able to return to work. When asked about finances by her Child and Family Health provider, Vanessa was receiving some government payments from Centrelink, but these were not enough to cover basics including food, housing and utilities. Vanessa was not receiving child support from her ex-husband but grateful for some financial help from friends. Her stress, own ill-health, and the medical needs of her youngest child, reduced her capacity to self-advocate.

At Vanessa's first contact with the financial counsellor, she had $20 left in her bank account. She had prioritised paying for her private rental accommodation, so was up-to-date with payments but couldn't make the next month's instalment. Vanessa was in arrears for all her utility bills and disconnection of gas and electricity was imminent. She also had a $1,200 outstanding debt to an immigration lawyer who had assisted with both her and her ex-husband's visa applications.

How financial wellbeing services helped Vanessa

Vanessa worked with a financial counsellor over four months. They established that Vanessa was not being paid all the government entitlements from Centrelink that she was eligible for. She was receiving Family Tax Benefits and Rent Assistance but should have also been getting the Single Parenting Payment (SPP), the most significant amount of the three. Getting the SPP was essential for covering Vanessa's basic living expenses. The financial counsellor was able to access emergency relief for Vanessa and her family – including food vouchers from charities in the local area – as a short-term measure.

Vanessa was unaware of concessions and grants available to her. Through financial counselling, she was able to access a utility relief grant of $650 and a once-off $250 power saving bonus. The financial counsellor also established hardship payment plans for Vanessa's utilities to avoid disconnection in the future. Additionally, Vanessa was able to gain access to the childcare subsidy which raised her subsidy rate from 85% to 100% for 10 weeks and could be applied for again at the end of this time. The subsidy offers temporary financial relief for families that experience dramatic changes in circumstances, such as family violence.

Vanessa's reflections

Financial counselling helped Vanessa understand the options available for her circumstances. Vanessa said that the experience of being asked about financial hardship and being provided with solutions at this time in her life helped her feel a great sense of empowerment.

> ***"They know that their Mum is doing everything for them."***

Vanessa was thankful for the support that was provided to her at this difficult time and felt that if more mothers like her knew about the type of help that was available, then perhaps they wouldn't stay in violent relationships. She was hopeful that others know that help is available.

> ***"It is very good that if woman like me will be aware that you can raise your voice and there is help….No matter what situation you are in, there is help."***

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Healthier Wealthier Families

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Visit: **www.rch.org.au/ccch/Healthier_wealthier_families/**

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The Centre for Community Child Health acknowledges the Traditional Owners of the land on which we work and pay our respect to Elders past, present and emerging.