



# FINANCIAL LITERACY AND GAMBLING BEHAVIOUR IN VICTORIAN FIRST NATIONS COMMUNITIES

A guide for, and by, Victorian First Nations community organisations to understand the relationship between financial literacy and harmful gambling behaviour in Victorian First Nations communities.





## Acknowledgement of Country

First Nations Foundation and the Victorian Responsible Gambling Foundation acknowledge First Nation peoples as the Traditional Owners and Custodians of the land and waterways upon which we live and work.

We particularly acknowledge the Wurundjeri Woi Wurrung people on whose Country our offices are located. We acknowledge and pay our respect to their Elders past, present and emerging. We extend our respect to all First Nations peoples.

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## Acknowledgements

This guide has been developed by First Nations Foundation (FNF) and Professor Nerilee Hing, Research Professor (Gambling Studies) at CQUniversity, with assistance from the Victorian Responsible Gambling Foundation.

Development of the guide has been informed by the evaluation of the *My Moola* money management program. *My Moola* was developed and delivered by FNF, with funding from the Victorian Responsible Gambling Foundation, to train First Nations community members in key aspects of financial literacy as a gambling harm minimisation tool.

Please note *My Moola* has been rebranded and is now *My Money Dream*. Find out more about FNF's award-winning online financial literacy training program at [firstnationsfoundation.org.au/my-money-dream](http://firstnationsfoundation.org.au/my-money-dream).

In a two-year pilot project beginning in mid-2016, FNF delivered the *My Moola* training program to about 100 employees from seven Aboriginal health and community service organisations across Victoria.

The seven organisations were: Victorian Aboriginal Community Services Association, Ballarat and District Aboriginal Co-operative, Bendigo and District Aboriginal Co-operative, Mungabareena Aboriginal Corporation, Njernda Aboriginal Corporation, Rumbalara Aboriginal Co-operative, and Wathaurong Aboriginal Cooperative.

The program was evaluated by FNF, Professor Hing, and CQUniversity's Experimental Gambling Research Laboratory, with assistance from staff at the seven Victorian Aboriginal Community Controlled Organisations listed above.

The resulting evaluation report, *Evaluation of the My Moola Indigenous money management program as a gambling harm minimisation tool*,<sup>5</sup> can be downloaded from [www.firstnationsfoundation.org.au/research/](http://www.firstnationsfoundation.org.au/research/).

## Message from First Nations Foundation CEO



**Phil Usher, CEO**

When it comes to gambling, research shows that First Nations people participate marginally more than non-Aboriginal Australians.<sup>1</sup> The difference, however, lies in the levels of gambling harm experienced by First Nations communities.

In Victoria, research shows that rates of problem and at-risk gambling are 10 to 20 times higher in Aboriginal adults compared to non-Aboriginal adults.<sup>2, 3</sup> In addition, research shows that First Nations people have the lowest financial literacy of any group in Australia, with one in two suffering severe financial stress and nine in 10 having no financial security.<sup>4</sup>

The reasons behind these statistics are complex and reflect the historical and ongoing structural disadvantages that First Nations communities face. But the result is that First Nations people are more vulnerable to experiencing gambling-related problems than non-First Nations people.

But it doesn't have to be this way.

Research shows that improving financial literacy can reduce harmful gambling behaviours in First Nations communities. However, the work of building better money management skills among these communities must be governed and directed *by* First Nations people to ensure it is culturally safe, and that the outcomes are better and more sustainable.

This guide has been created for people who work in First Nations health and community service organisations to help them better understand the relationship between financial literacy and gambling harm.

It highlights and summarises the key findings of a research report by CQUniversity, *Evaluation of the My Moola Indigenous money management program as a gambling harm minimisation tool*, which explores the relationship between financial literacy and harmful gambling behaviours, and how improving financial literacy may help to reduce gambling harm in First Nations communities. *My Moola* is now known as *My Money Dream*.

We hope this resource will help to inform and improve everyday practice and program design and build opportunities for First Nations people to gain the skills for financial security and future prosperity.

## This document:

- provides background information about gambling in Victorian First Nations communities
- outlines what research says about financial literacy in these communities
- describes the relationship between financial literacy and gambling behaviours.

It is a supporting document to the CQUniversity research report, *Evaluation of the My Moola Indigenous money management program as a gambling harm minimisation tool*, which is available on the First Nation Foundation's website ([firstnationsfoundation.org.au/research](http://firstnationsfoundation.org.au/research)). The research report was developed in partnership with FNF and seven Aboriginal Community Controlled Organisations.

*My Moola* is now *My Money Dream*. Find out more about FNF's award-winning online financial literacy training program at [firstnationsfoundation.org.au/my-money-dream](http://firstnationsfoundation.org.au/my-money-dream).

### ***Quotes in this guide***

*Unless otherwise stated, the quotes in this guide are comments made by focus group participants during the evaluation of the My Moola money management program. Identifying information has been removed to preserve the anonymity of participants.*

## Summary of key findings

This guide explores four key findings from the research report, *Evaluation of the My Moola Indigenous money management program as a gambling harm minimisation tool*.

1. There is a relationship between financial skills and managing gambling expenditure.
2. Improving financial skills may reduce harmful gambling behaviours.
3. Harmful gambling behaviours include borrowing money for gambling, chasing gambling losses, increasing bet sizes in response to winning or losing, and relying on gambling for income.
4. Improved financial skills may increase the use of protective behaviours, like setting an affordable gambling budget and setting and sticking to a maximum bet size

‘Many people in our communities are used to being broke – living payday to payday – making do. Our parents were broke, our grandparents were broke; it’s what we know. But it’s not okay to feel that way and we can change it.

‘Our community needs access to culturally safe education and support to overcome financial hardship – and to better understand managing money. Gambling seems like a way to win money and get ahead. It’s not, and people need to understand that.’

**Ashley Gordon**

**First Nations gambling harm advisor, consultant and researcher**





## Gambling in Victorian First Nations communities

### Prevalence and causes of gambling

Gambling is a recreational activity that many First Nations people enjoy without experiencing any trouble. But for some, gambling causes money problems, stress, and arguments in the family. Research shows that around a quarter of First Nations people who gamble experience some harm, and 10 to 15 per cent of them experience serious harm.\*

First Nations people gamble, and experience gambling-related harm, at higher rates than non-First Nations Australians. This is mostly due to the catastrophic consequences of colonisation, including trauma from loss of Country, culture and language, removal of children, and forced relocation of families. First Nations people have also faced social injustices and systemic racism, which has led to intergenerational poverty and trauma.

Until the 1980s, many First Nations people in Victoria were excluded from ordinary community activities, like visiting the local swimming pool. At the same time, many traditional cultural activities were restricted because participating in them was considered a reason to remove children or relocate families.

Playing cards and bingo with family and friends became a 'safe' and valued recreational activity that offered an opportunity to gather and connect with community. In addition, gambling offers some the hope of overcoming financial problems and time-out to process difficult thoughts and feelings.

Research suggests that when a First Nations person has a gambling issue, it can have an impact on up to 15 family members and friends, and that harms are felt deeply because of the tight-knit, caring nature of the community.

The gambling environment is part of the problem, with many gambling venues close to where First Nations people live and work. And many gambling products, like the pokies, are designed to make it easy for people to lose track of time and spend more money than they planned.

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\* The Problem Gambling Severity Index (PGSI) is a standard scale for measuring a person's risk of experiencing problem gambling. The results of the self-scored PGSI survey categorise respondents into four groups: non-problem gambling; low-risk gambling; moderate-risk gambling; and problem gambling. Gambling harm occurs on a spectrum. Non-problem and low-risk gambling may lead to occasional, low-level harms. Problem gambling is associated with severe harm.

## Attitudes towards gambling

Gambling is often woven into the daily life of First Nations communities. Popular gambling activities include pokies, betting on horse races, lotteries, bingo and sports betting. Attitudes towards gambling vary. Some study participants were opposed to any gambling, others viewed it as acceptable within limits.

Gambling was widely considered to be a social activity – a way to spend time with family and friends – and a recreational pastime that didn't necessarily mean spending more money than people could afford. It was also seen as a way to take time-out from stresses and worries, by 'turning off' at a pokies machine.

Despite the generally positive attitude towards gambling, the research showed that a significant number of people taking part in the study had experienced gambling-related harm.

It was recognised by most study participants that gambling can have serious financial implications and other negative effects for families, friends and communities.

## Effects of gambling

Among the people who participated in the study, almost half had gambled in the previous three months. Of those, a quarter had a severe gambling problem. A further third had experienced harm from their gambling and were considered 'at risk' of developing gambling problems.

Many had experienced, witnessed or been affected by the gambling problems and harms experienced by others, including being financially affected by the gambling of family members and friends. Four out of 10 had lent or given money, or bought essentials for others because of their gambling, with only a few ever being repaid.

## *What the study's participants said about gambling*

*'Always hated it. Seen families break down and marriages end because of it. Gambling has taken a huge toll on my family... there's better ways to spend your money than to just lose it.'*

*'Gambling is a hidden disease, not like alcohol and drugs. And it can do damage psychologically, not just financially. In community, our responses to it are a lot more challenging. It can have a disastrous effect on communities and families.'*

# Financial knowledge and skills

## Attitudes towards financial literacy

First Nations people are generally very good at making do, sharing resources, and making sure no-one goes without. However, participants of the study agreed that attitudes towards money management in communities need to improve.

Participants of the study recognised the importance of understanding and managing finances and setting goals for financial security. Almost all agreed that:

- it is important to set financial goals
- their family's financial security is important to them
- financial literacy is an important life skill.

## Historical causes of financial disadvantage

Prior to the 1967 referendum, Australia's First Nations people were not counted as citizens of their own country. Historically, many First Nations people have been systematically denied access to their own wages, paid less than non-Aboriginal Australians, or not paid at all.

In many cases the government controlled their finances. First Nations people had no access to welfare payments (including the aged pension), home loans, credit, business grants, or the intergenerational transfer of wealth common to many Australians. In addition, they were prevented from learning money management skills.

This legacy of discrimination and disadvantage has meant that over many generations, some First Nations communities have been forced to adapt to poverty and resort to counterproductive financial behaviours.

## Level of knowledge of financial topics

Of those surveyed, there was limited understanding of specific financial topics. Almost half had little or no knowledge about loans and credit, budgeting and saving, or how to go about purchasing a home. More than half had little or no knowledge about banking and investment, financial planning and goal setting, identifying spending leaks, or superannuation.

## Savings behaviour

About a third of participants saved regularly and set their own financial goals.

In the previous three months:

- a quarter often or always saved money for a specific goal; the remainder only sometimes, rarely, or never did so
- more than half never or rarely set a weekly budget
- a majority – more than half – never or rarely shared knowledge about managing money with others.

## Financial difficulties

The majority of participants – around three in five – sometimes experienced financial difficulty, ran out of money before payday, or spent more than they could afford on items they wanted, rather than needed.

Other findings included that:

- approximately one in 10 sometimes pawned items or took out payday loans, while the majority never or rarely did so
- about three-quarters of participants never or rarely relied on friends for groceries or essentials, a minority did so only sometimes, while very few often or always did so
- only half of the participants had a credit card. Of these, two in five often or always paid off the balance in full every month. Another two in five did so never or only rarely, incurring significant additional debt.

## *What the study's participants said about gambling*

*'I used to be pretty bad at gambling. Obviously, it's so easy to get on the phone and just do it by your phone card. I could spend my money on better things that me and my partner need rather than on myself and blowing it on something silly. Which I now don't do. Gambling used to cause a lot of stress and strain in my life.'*



## Financial helping behaviours

Helping family or friends in financial difficulty was a common occurrence:

- about a quarter of participants had paid for things for a person who gambles, such as groceries, or had given or lent them money
- of those who had lent money, only a minority (about one in five) had often or always been repaid. The majority – significantly more than half – were ‘never or rarely’ repaid.

## *What the study’s participants said about gambling*

‘I guess, you know, you’re wasting your money putting it into a game, and you’re more likely to lose than anything, I just realised it was a waste of time and I had much better things in my life to spend my money on.’

‘I’m a bad gambler. I’ll do my pay. Whatever is left over after everything is taken out, it’s gone, just like that. But I pay electricity, gas and other bills, but whatever’s left I can’t help myself; it just goes. I can’t do \$20, it’s \$200... Everything’s paid, but I could spend the money on something better.’

‘I have people in my family come and ask me for money to get groceries. It pisses me right off because they’re allowing it, that’s their thing that they do every Saturday. When people are needing money to get kids food and that, then I’m going to do it, but it pisses me off because I know that people are sitting there drinking beer and gambling all day.’

# The relationship between financial literacy and gambling behaviour

## Poor financial literacy

The research found a significant association between levels of financial literacy and gambling attitudes, behaviours, harms, and problems. People who regularly had difficulty managing finances were more likely to experience gambling-related harm.

For communities living in poverty, gambling can seem like the only hope of making money to cover bills or for large purchases like fridges. Having a punt or a 'press' (playing the pokies) can bring hope in difficult times. And being a winner has strong appeal. Like other communities, First Nations people talk about the wins but not the losses, so it can seem to others that winning is more common than losing.

People with poor financial management skills were more likely to:

- have positive attitudes towards gambling
- be in a higher risk gambling group
- gamble more frequently on pokies and community card games
- borrow money for gambling
- chase gambling losses
- increase their bet sizes when winning and losing
- rely on gambling winnings as part of their income.

People who lent or gave money to family or friends who gamble were more likely to be in a higher risk gambling group themselves, and to gamble more frequently on pokies and sports. However, this pressure on significant others led to strained family relationships.

### SUMMARY

The association of low levels of financial literacy and gambling problems suggests that improving financial knowledge and skills has strong potential to reduce gambling-related harms.

## The effects of improved financial literacy

The research suggested that people with improved financial literacy following engagement with training programs like *My Moola*:

- are less likely to experience harm from gambling
- are more likely to self-regulate expenditure while gambling
- have fewer gambling-related problems
- are able to save regularly.

Those who saved more regularly were more likely to:

- set an affordable budget for gambling
- set and stick to a maximum bet size when gambling
- avoid increasing their bets when losing.

Participants with higher self-confidence in money management were less likely to chase gambling losses, increase their bets when winning, and rely on gambling winnings as part of their income.

People with improved financial literacy were more likely to consider how they would feel when the money was gone or what else they could spend the money on.

### SUMMARY

These findings indicate that self-regulating gambling expenditure is related to good financial literacy. They highlight improved financial literacy as a mechanism to reduce harmful gambling behaviours.

The findings also suggest that improved financial literacy may enhance the use of protective self-regulatory behaviours, such as setting and sticking to an affordable gambling budget.

## What the study's participants said about gambling

*‘When we do our referrals, we don’t ask how much money do you gamble a fortnight? But we’re more than happy to pay out \$120 in groceries, but we’re still not asking where the money is. It still might not be until we’re four months down the track ‘til someone is confident enough to say it’s ‘cause my partner is putting \$200 through the sports betting app or whatever a fortnight. If we’d known that four months ago, we could have addressed that. It’s a dirty conversation but we need to know how we can just support them.’*

## References

- <sup>1</sup> Hare, S. (2015). *A study of gambling and health in Victoria, Australia*. Melbourne: Victorian Responsible Gambling Foundation and Victorian Department of Justice and Regulation.
- <sup>2</sup> Hing, N., Breen, H., Gordon, A., & Russell, A. (2014a). The gambling behaviour of Indigenous Australians. *Journal of Gambling Studies*, 30(2), 389-396.
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- <sup>4</sup> Wilkins, R. et al (2022). *The Household, Income and Labour Dynamics in Australia Survey: Selected Findings from Waves 1 to 20*. Melbourne Institute: Applied Economic & Social Research, University of Melbourne.
- <sup>5</sup> Hing, N et al (2018). *Evaluation of the My Moola Indigenous money management program as a gambling harm minimisation tool*. First Nations Foundation.



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