Money, Cultural Identity and Financial Well-being in Indigenous Australia

Vinita Godinho, RMIT University

Abstract:

Indigenous people are over-represented amongst three million financially excluded Australians, yet their financial lives have largely been studied from 'Western' viewpoints. Studies offer limited explanation as to why Indigenous exclusion persists, no matter where they are located. Cultural obligations are often identified as a barrier to financial inclusion. Using an Indigenous research paradigm, I examine money in remote, regional and urban Indigenous communities ('Indigenous money') based on Zelizer's theory of the social and cultural shaping of money.

I find historical, cultural and familial factors have influenced participants' views on money and financial well-being. 'Indigenous money' is culturally distinctive from middle-income, 'Anglo-Celtic' understandings of money, which underlie banking policy in Australia. 'Indigenous money' is 'disconnected' from important elements of participants' socio-cultural world-view, including traditional knowledge systems, social norms, and their sense of cultural identity. These findings may explain why Indigenous Australians have difficulty in accessing banking and developing financial skills.

The policy agenda to 'close the gap' in Indigenous disadvantage includes promoting financial literacy via the formal education system. However participants suggest capability-building should come from within the community. Participating elders want to resist 'assimilative' pressures and lead efforts to find the 'right way' for Indigenous people to confidently use money to achieve their own goals, whilst retaining their cultural identity.

Keywords: Indigenous money management, Indigenous financial inclusion, Indigenous research methodology, financial capability, financial well-being

Indigenous Australia, Money & Financial Capability: A Historical Overview

Indigenous people are over-represented amongst the most socio-economically disadvantaged Australians, with lower than average living standards, life expectancy, education, health and employment ((Productivity Commission, 2011). Longitudinal studies identify Indigenous people as more likely to be financially excluded and associated with lower financial capability, yet cannot fully explain why these 'gaps' persist ((Connolly, Georgouras, Hems, & Wolfson, 2012); (The Social Research Centre, 2011)).

Any discussion of the causes of chronic Indigenous disadvantage must take into account their history of colonization, dispossession and marginalization, when Indigenous people were robbed of their lands. Many Indigenous people were moved onto missions and offered rations in exchange for work, limiting their exposure to money (Martin, 1995). This history of being kept out of the money-economy continues to impact the present. Limited opportunities to manage money have contributed to Indigenous people lacking confidence with managing money, and lacking trust in institutions (Demosthenous, Robertson, Cabraal, & Singh, 2006).

More recently, income management introduced to Indigenous communities under the Northern Territory Emergency Response, where a proportion of government benefits is quarantined for approved uses only, may have inadvertently exacerbated these issues. Dictating how money is to be used may further compromise Indigenous financial capability (Russell, Yoosuf, & Cattlin, 2011).

Financial Capability, Well-being and the Capabilities Approach

Studies on financial capability have become important as policymakers focus on growing financial exclusion, or the lack of access to safe, appropriate and affordable financial products and services (Connolly et al., 2012). Lower financial capability is one of many factors contributing to this multi-dimensional problem.

Researchers investigating ways to enhance financial capability have connected with the human development and capabilities approach ((Johnson & Sherraden, 2007); (Sherraden, 2013)). This ‘capabilities’ approach argues that the aim of development and public policy should be to enable ‘well-being’, by expanding people’s ‘freedoms’ to live the life they value ((Sen, 1999); (Nussbaum, 2011)). Policymakers must address three inter-related concepts in order to enable well-being:

- ‘functionings’ which are ‘beings’ and ‘doings’ that people value.
- ‘capabilities’ which are a person’s ‘freedoms’ to enjoy various ‘functionings’, encompassing ‘internal’ abilities and ‘external’ opportunities.
- ‘agency’ which is a person’s ability to individually/collectively pursue and realise goals they value.

Australian policymakers could adopt this multi-dimensional strategy to promote individual financial abilities and provide the ‘external’ supports that Indigenous people need, in order to achieve the financial lives they value.

However evidence on Indigenous people and money management is limited ((Gerrans, Clark-Murphy, & Truscott, 2009); (Worthington, 2013)). Studies document their lack of access to education, employment and banking, yet few focus on how Indigenous people themselves view money and finances ((McDonnell, 2003);(Russell et al., 2011)). A common call to action is more ‘culturally appropriate’ financial products and services, yet there is little discussion as to how this can be achieved.

This is where my research, which explores participants’ stories about money, how they manage it in everyday life, and how they want to use it in future, can contribute to knowledge and policy. I argue that participants’ goals/aspirations about money, and its role in their cultural identity, reflect their financial ‘functionings’. Stories about financial knowledge and understanding, skills, feelings, attitudes towards money and observed behavior, reflect ‘internal’ financial capabilities. Participants’ access to education, employment and the financial system describes their ‘external’ environment. Lastly, participants’ views on how they want to act in order to pursue and realize their own financial goals, reflects ‘agency’. I summarize this approach in Diagram 1 below:

[DIAGRAM 1 Here – on Page 15]

In the following sections, I discuss how my study on participants’ financial ‘functionings’, ‘capabilities’ and ‘agency’ challenges mainstream understandings. I conclude with comments on how these findings can inform efforts to promote Indigenous financial wellbeing.

Indigenous ‘financial capabilities’: Understanding ‘Indigenous Money’ and Well-being

This paper is based on qualitative doctoral research informed by a postcolonial, relational Indigenous research paradigm (Chilisa, 2012). It builds on Zelizer’s theory of the social and cultural shaping of money, to explore how money influences and is influenced by, socio-cultural factors (Zelizer, 1998). One hundred and thirty three participants from remote, regional and urban Indigenous communities (see Table 1) contributed to this study between July 2011 and February 2014, via ‘yarning-circles’, interviews and participant observation. ‘Yarning-circles’ are an informal method of conducting community-based research, where local elders invite groups to contribute to public discussions on the topic, usually over a shared meal in a public setting ((Demosthenous et al., 2006); (Godinho & Singh, 2014)). Participants may also agree to be individually interviewed.

[Table 1 About here – on Page 14]

The first significant factor emerging from participants’ stories is that they see money as having been imposed from ‘outside’ their culture, no matter where they live. ‘Money is white man culture’ says elder Iluka in remote Northern Territory. Elder Barina lives in regional

Victoria, yet shares her view. ‘Money wasn’t our culture - the white man brought cash with him’ she says.

In remote locations, participants see money, introduced in late 1960’s without much education, as ‘disconnected’ from traditional Indigenous knowledge regarding managing valued resources. This has left many people confused about money. ‘Yolŋu people has not been educated… on what is the meaning of the money.. how money should be respected, how should the money be used’ says Ganan, an elder in remote Northern Territory. Global research shows financial skills are typically acquired from family, so this confusion compromises Indigenous inter-generational learning (Lusardi, 2008).

Recent policies to promote financial literacy in Australia focus on the young through the formal education system (Australian Securities and Investments Commission, 2014). Yet my study finds adults, particularly elders, also want to know more about money. They say ‘connecting’ this knowledge to their cultural understandings will help them role model how young people can use money ‘wisely’. Elder Ganan says ‘Yolŋu people like myself, I got the understanding. Maybe if I interpret, connect - that system to this new western world system - that will help them to properly look after their money.’

In regional and urban areas, talk about money seems inextricably linked to an ongoing challenge to re-establish a ‘cultural identity’ vis-à-vis non-Indigenous Australia. Colonization wiped out the Indigenous cultural identity, says elder Warra in regional Victoria, replacing it with ‘a new regime, a new culture of doing business - including money - which worships individual ownership.’ He feels many people are still struggling to re-establish this cultural identity, including the role that money plays in it.

A culturally distinctive pattern emerges from participants’ stories about money in everyday life no matter where they live. In remote communities ‘Indigenous money’ can flow between clusters of up to four related households of extended kin, when compared to 'Anglo-Celtic money' which is bounded within a nuclear family household (Singh, 1997). Household size is also larger, as fourteen interviewees live in 'multi-family' households averaging 8 people, as compared to 2.6 people in non-Indigenous households (Australian Bureau of Statistics, 2012).

Participants say they prioritize sharing money over saving it, as compared to non-Indigenous people. 'We don't save like the *balanda*[1]' says young Umina in remote Northern Territory. Kaiya in regional Victoria agrees, saying she shows her family 'love and support through money'. 'Money won't cry for you' is an oft-quoted refrain.

Although participants manage money whilst maintaining relationships and fulfilling obligations, the desire to control one's own money in a sharing culture can increase the 'stress' associated with money. Miro, an elder interviewed in Darwin, says sharing money works well but sometimes 'humbug creates a lot of stress for me'. 'Humbug' or 'demand-sharing' of money is described in literature (Peterson, 1993). However many participants avoid mentioning it, as it brings shame. Single mother Hanya in a remote community, recalls feeling guilty when she was accused of 'acting like a white person' because she reduced sharing to save for her children.

Participants in all communities studied, say they want to know more about money. Elders want to 'connect' money with Indigenous knowledge, and lead efforts to build inter-generational financial skills. When participants are able to use money to reinforce social norms including sharing, their well-being is enhanced. However well-being is compromised by feelings of stress/guilt when financial choices clash with cultural norms and participants' sense of 'identity'.

[1] Balanda is a Yolngu (Indigenous language from East Arnhemland) word for 'white' person

Indigenous 'functionings': Financial choices, goals and aspirations

In a world where one cannot have everything one wants, financial knowledge requires people to consider the financial choices they make, and the consequences of those choices (Roberts & Polley, September 21, 2005). In remote Indigenous communities, the limited access to digital and financial infrastructure reduces opportunities to make good financial choices (National Indigenous Money Management Agenda, 2007). Limited education and employment translates into lower incomes, exacerbating this financial disadvantage.

Access to infrastructure improves in regional and urban areas, however participants highlight inter-related challenges including lower employment opportunities, perceived racism and discrimination. These reduce their 'real' financial choices and compromise their ability to fully participate in society.

'If an Indigenous fella hasn't made what you think are good money decisions - if they are not able to get employment because they belong to a particular race of people, then what choice did they have?' queries young mother Jarri in regional Victoria. Kaiya, who works with Jarri in community money management, adds that some Indigenous people don't participate fully in mainstream society because 'something happens to them in the system that rejects them - often it's racism.'

Elder Warra feels that Indigenous people have been given only one choice or 'vision' of their future, including their financial lives – that of assimilation with the non-Indigenous majority. 'There is a real assimilative push to say - you go and you pick up all these skills, learn all these things – only then you can become a part of the mainstream and achieve parity.'

Kaiya explains that some young people 'give up' trying to fight to retain their own cultural identity and accept the 'white' ways, as 'it's easier to succumb - to just let it go, than to challenge it'. However this 'giving up' of their own value system 'eats into their soul' says Jarri, which is why money is sometimes a 'shame-thing'.

Elder Ghera, discussing this with friends Coorah and Barina in regional Victoria, adds 'Internally people are dying, because there is a lack of vision of how their future and cultural identity can be.' She feels this could be why people have a shorter-term view of money as a means of survival. Barina counts 'lifestyle deaths and poor health' as this struggle continues.

The value attached to money, and its ability to create better futures will always be measured in relation to the choices that money requires Indigenous people to make, reflects Warra. 'Money's a tradeable commodity. We've always traded, so its value is what you trade for it.' Warra feels his people can never feel 'equal' to mainstream society, as colonization and the subsequent introduction of money, was an imposition, not mutually respectful 'trading of aboriginal knowledge with western knowledge about money'. Colonists declared Australia '*terra nullius*', enabling them to acquire Indigenous lands. Past policies of assimilation encouraged Indigenous people to 'give up' traditional knowledge and ways. Even today, financial education focuses on individual savings yet Indigenous norms may prioritize family and community-based goals about money.

'People measure money in terms of what they've had to give up' says Warra. 'If you give up all your own knowledge, you won't have a sense of cultural identity - or get parity'. Others like elder Jarrah in remote Northern Territory agree - 'Culture is what is important to us black-fella, not money' he says. Mallana, an urban professional, sums it up eloquently - 'Why should I have to change who I am, in order to have the same dreams as everyone else?' she asks.

This discussion highlights that participants' financial 'functionings' are inextricably linked to ongoing challenges of re-establishing cultural identity vis-à-vis mainstream Australia. A shorter-term, ‘survival-view’ of money could be a symptom of participants’ inability to visualize their financial future. Some participants feel money was imposed without reciprocal ‘respect’ for Indigenous knowledge. Others fear having to ‘give up’ cultural norms in order to relate to money. These factors could reduce motivation to engage with the financial system and make managing money stressful, offering some explanation of *why* Indigenous people may be more financially excluded.

Indigenous ‘agency’: Resisting assimilation

Community elders and leaders want their people to ‘hold out’ and resist’ any assimilative push, and create their own vision about money, identity and Indigenous futures. Financial capability, elder Warra emphasizes ‘is not about us aspiring to be white people or the western model of community and life. We have to reconstruct all of that, to be true to our thinking, about what our vision is, including for money.’

Indigenous financial education is a policy priority yet elders like Jarrah say ‘no one is listening’, as programs do not reflect Indigenous world-views. He says ‘Show how culture is the most important thing [instead of money], then people may listen’. These efforts should be led from within the community, emphasize elder Iluka and other participants from regional and urban areas.

Whilst acknowledging the vital role elders play in learning about money, young women Yuka, Wilga and Tarra in urban Northern Territory also highlight that individuals must learn the money-rules of ‘both worlds’. ‘Acknowledge both the worlds, then make up your own mind’, says Yuka. Wilga, comparing money to a boat which her people can sail across dangerous waters, says ‘If you understand the rules, then you can find a safe passage for yourself.’ Tarra reiterates that the key is for Indigenous people to do this themselves, as ‘self-empowerment begins at home.’

Guidelines for Indigenous-led efforts to build financial capability are emerging (Saunders) and participants also offer practical examples. Kaiya describes how she helped an elderly client manage her money 'black-fella way', by explicitly budgeting a fixed amount to share with her family. 'That way, she's gonna feel less guilty when it's all finished, and she doesn't have any more to lend.' Jarri has updated her education facilitators' guide to include family and community-based savings goals in addition to individual needs, as she finds these better suit many clients.

This discussion on 'capabilities' and 'agency' highlights the need for community-led efforts to enhance Indigenous financial capability and well-being. Elders have a vital role to play in such efforts. In order to thrive, not just survive, participants want to find ways to 'make money work for them', without giving up their cultural identity or values.

Tying it together – Indigenous views on money, cultural identity and financial well-being

This sociological study on participants' understanding of 'Indigenous money' finds it is culturally distinctive from middle-income, 'Anglo-Celtic' understandings of money, which underlie banking policy in Australia. When placed within the framework of the capabilities approach, my study also shows how these understandings influence participants' world-views regarding financial 'well-being' including 'functionings', 'capabilities' and 'agency'.

In addition to contributing to knowledge on *why* Indigenous people are more likely to be financially excluded in Australia, these findings also have implications for the design of more 'culturally appropriate' policies to enhance Indigenous financial well-being. Culture is an enduring strength, and inextricably linked with well-being for participants of this study. Community-led financial education and capability-building initiatives, which 'connect' to traditional knowledge systems and cultural norms, could better motivate Indigenous people to engage with the financial system. Enhancing the financial capability of elders alongside current policies targeting the young could enable them to role-model how to use money wisely.

Policymakers can ‘connect’ efforts to enhance Indigenous financial well-being with this knowledge about the cultural shaping of ‘Indigenous money’ to use culture as an enabler, rather than a barrier, to greater financial inclusion. Adopting this ‘strengths-based’ approach may offer a more ‘culturally appropriate’ way to expand Indigenous ‘freedoms’ to achieve the financial lives that they value.

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TABLE 1: Participant details for Doctoral Research 2011-2014

Location	Yarning Circles	1:1 interviews		Participant Observation	TOTAL
		Participants	Key Informants		
Remote	16 (5 groups)	20	11	6	53
Regional	8 (3 groups)	19	5	10	42
Urban	14 (3 groups)	16	5	3	38
TOTAL	38	55	21	19	133

DIAGRAM 1: Linking Indigenous Financial Well-being to the Human Development and Capabilities Approach