

Supporting Community Wellbeing and Financial Inclusion: Nga Tangata Microfinance

The kaupapa of [Nga Tangata Microfinance Trust \(NTM\)](#) is to promote and support social justice and financial inclusion. It provides safe, fair and affordable loans in low income communities. In partnership with local budgeting services, it supports financial education, enables financial inclusion, and provides protection against predatory high interest lenders.

NTM was founded by the [Child Poverty Action Group](#), [New Zealand Council of Christian Social Services](#) and [New Zealand Federation of Family Budgeting Services](#). It aims to enable families and communities to be financially capable and free from high interest debt. This in turn encourages others to become independent through effective role modelling and a widening circle of influence.

NTM offers loans which incur no interest or fees and require no security for the purposes of family well-being or relief from high interest debt. Originally available only in South Auckland, NTM loans can now be accessed throughout wider Auckland, Northland, Waikato, Bay of Plenty, Manawatu, Taranaki and Dunedin.

Community engagement and involvement is important to NTM and a proportion of its Directors are community members. Loan approval committees are also formed to include community representatives. This aims to create civic ownership within a specific locality and brings local knowledge to the loan approval process. The service seeks to be responsive to the needs of the communities within which it operates. Its operations are directly influenced by its primary stakeholders: loan clients and budget advisers.

NTM also plays a strong advocacy role and Robert Choy, Executive Officer is pleased with how this has progressed.

“Communications and advocacy work has been strengthened significantly, especially in the last year. This has been supported through press releases, video, radio, print media, blogs, newsletters, websites, Facebook, Money Week, TV recordings, and a community forum in Waikato,” he says.

NTM was very pleased to celebrate its seventh year of operations and 300th loan at an event which took place in February 2018.



Minister for Social Development, Hon Carmel Sepuloni spoke at the event where she conveyed warm congratulations and support for the contribution microfinance makes towards negating the exploitative and predatory lending practices that occur in lower income communities.



The work of NTM hasn't gone unnoticed. Kiwibank and Nga Tangata Microfinance Trust won the 2013 NZI Greatest Contribution to a Sustainable NZ Award (Supreme Award) as well as the Community Innovation category at the 2013 NZI National Sustainable Business Network Awards.

Success hasn't been without its unique challenges. When asked what were the greatest hurdles NTM faced when establishing itself, Robert had this to say:

“Our own capacity constraints to widen the availability of loans to more localities and train/support budget services/advisors (especially outside Auckland) has presented challenges. Greater client reach requires close working partnerships and coordination between social services and budgeting services. Establishing greater local ownership is still a challenge; we are wanting to increase local loan committees in regions to approve loans locally, but this has been difficult.”

In spite of these challenges, the initiative is making a big difference. Robert is grateful to have Kiwibank and the J R McKenzie Trust as key partners in the growth and development of the kaupapa.

“Over the first four-plus years, 44 loans representing \$87,000 were disbursed. Between November 2014 and February 2018, the great support from Kiwibank and the J R McKenzie Trust enabled an increase of 750% in loans disbursement, to 330, totalling \$720,000,” says Robert.

The service is having positive benefits for clients. An evaluation conducted in late-2016 reported some significant outcomes:

- Nearly 70% said the loan significantly reduced family stress
- 75% said the loan made a huge improvement to their well-being and peace of mind
- Nearly 80% said the loan made a big difference in how they now spend money: more food, better quality food, enough money to pay bills, paying bills on time.

Its clear that this is a valuable initiative providing a crucial service in vulnerable communities: we're looking forward to seeing what NTM achieves in the next seven years and onwards.

The J R McKenzie Trust is proud to support Nga Tangata Microfinance and its important mahi.