



Te Hiko
Centre for
Community Innovation

Caring for each other through money: The story of two savings pools

— August 2023



Members of the Porirua Wealth Pool celebrate the Pool's 4th birthday.

Te Hiko is an initiative of



**Wesley
Community
Action**

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1. Introduction

This report aims to document the story of the Porirua Wealth Pool and Pito-One Savings Pool and their impact in contributing to financial stability and wealth consolidation.

Wesley Community Action helped establish the Porirua Wealth Pool, with a number of staff volunteering to become foundation members, in order to learn how the model works. A number of Wesley staff are members of the Pito-One Savings Pool, based in Petone. Wesley has an interest in the value of savings pools as part of their overall commitment to local economies and community wealth building. The savings pools are self-governing and operate independently of Wesley Community Action.

2. Community wealth generation the Wesley Way

Te Ara Wēteri / The Wesley Way is based on the belief that people are experts in their own lives. As Te Ahunga ki Tua (Strategic Direction 2023 – 2035) states: “We want to evolve from being an organisation that focuses on doing to people (colonisation) to one that supports people to do (Rangatiratanga).”

In Porirua, the community-led development and innovation work over the last decade has had a strong focus on community wealth creation – creating space for the whānau of Porirua East to come together and build or participate in new economic models that create and grow wealth and abundance in the community.

This is driven by challenging the dominant view of Porirua East as a community with depleted resources leading to an over reliance on external help. The Wesley Theory of Change response is depicted in the Cannons Creek visual as plugging the drain of resources and utilising and building up local capacity. Another tool is the “We speak, you listen” tree – communities shifting from never growing to flourishing. Wesley works with – and in – community, assisting the transition from the draining-out model to the plugged drain or the flourishing tree.

This response includes a range of community-led initiatives including the Aotearoa Pasifika Men’s Group, the Wellington Region Fruit and Vegetable Co-op (Hauora Kai), the Good Cents financial well-being course, the Porirua Timebank, and the Porirua Wealth Pool – a savings pool that helps people to save money and lend to each other to avoid high interest loans. Wesley has traditionally offered food parcels, run cooking workshops, and has established a community garden at the Cannons Creek site.

To grow community-led work, Wesley has established a Centre for Community Innovation – Te Hiko. Te Hiko provides a platform to explore opportunities, evaluate progress and share knowledge. Initiatives facilitated by Te Hiko include Ngāhere Korowai, a project supported by Te Runanga o Toa Rangatira and Greater Wellington Regional Council to reforest the hills behind Porirua East.

Te Hiko maintains a relationship with the Wellbeing Economy Alliance Aotearoa and worked with The Wellbeing Protocol, to explore use of crypto technology to assist communities develop economic sustainability. While the Porirua pilot did not continue, there were useful learnings about the use of technology, and the way in which communities engage with local resource exchange.

In Naenae, Wesley has been transforming its former aged care facility into Wesley Rātā Village – a

community hub offering intergenerational housing, connection for older people, playgroup activities, an art space, barista training and accessible spaces for local community activities.

To support these initiatives, in 2020 Wesley developed a new community funding model – Just Change. Just Change is a learning circle of doers and donors committed to addressing inequity together. Just Change connects people leading innovative, grassroots community initiatives in the Wellington region with people who are concerned about inequity, understand the importance of community-led change, and are willing to contribute financially. The group works collaboratively with pooled funds to take collective action to address inequality.

The initiatives Wesley supports in local communities interconnect, with people and whānau participating in more than one initiative and become part of a broader Wesley community, helping drive future activity. This is reflected in the current Wesley Community Action Plan, which spans five interrelated foundations for community wellbeing:

- Connected and supportive whānau
- Warm safe dry housing
- Good food
- Financial stability
- A healthy natural environment

Savings Pools sit within a broader context of working with community to build local resources, nurture local capability, and foster sustainable alternatives to maintaining whānau and community wellbeing.

3. The broader local economy landscape

Community-based financing models such as peer-to-peer lending, have existed for centuries and pre-date formal banking institutions.

Various forms of peer-to-peer lending remain a common practice within many countries, and cultures. Peer-to-peer lending models provide people with limited access to formal banking, no interest loans, immediate access to finance, access for those with poor credit ratings, and high trust community-based processes. Peer-to-peer lending brings both economic and social benefits. The social contract provides incentive to save and to repay loans. Relationships replace credit worthiness as criteria for membership.

Globally, community-based financing is part of local economic, equality and environmental sustainability movements. Organisations working in this space link their impact to the United Nations Sustainable Development Goals 2022. www.un.org.

Internationally, community financing schemes are offered as part of economic localisation and regenerative agriculture movements. An example is Local Futures, an international non-profit organisation dedicated to renewing ecological and social well-being by strengthening communities and local economies worldwide. Local Futures promotes a suite of practical ideas ‘to bring the economy home’ including:

- moving your money from giant banks to local credit unions (the Porirua Wealth Pool is an similar response)
- bartering what you have for what you need e.g. Green Dollar exchange (e.g. Porirua Timebank)

- starting a local investment group (e.g. Just Change)
- supporting local businesses and farmers markets to meet your basic needs – or starting your own (e.g. Hauora Kai Co-op). www.localfutures.org

In North Carolina, Cooperate WNC works to transform Western North Carolina's economic and ecological systems through regenerative farming, a procurement alliance and savings pools. Cooperate WNC offers resources and guidance to others on establishing savings pools, referencing the Living Economies Trust expertise. www.cooperatewnc.org

In Australia, the Retrosuburbia movement is leveraging permaculture to build non-monetary community resources. Retrosuburbia works to retrofit built ecological and behavioural fields to build economic resilience and revitalise landscapes as agriculturally abundant. A founder, David Holmgren, suggests "household economies based on non-monetary exchanges, gifts and reciprocity are the foundation for strong resilient communities. They reverse the transition of resources out of local economies." <https://retrosuburbia.com/>

Wesley Community Action's local economics work is informed by the work of The Next System Project. An initiative of the Democracy Collaborative, the Next System Project uses "the best research, understanding and strategic thinking, on the one hand, and on-the-ground organizing and development experience, on the other, to promote visions, models and pathways that point to a 'next system' radically different in fundamental ways from the failed systems of the past and present and capable of delivering superior social, economic and ecological outcomes".

The Next System Project has followed the work in Cleveland, America, and Preston, UK, where local decision making, local investment and worker cooperatives have been used to retain resources and increase opportunities in local communities. <https://thenextsystem.org/>

The Living Economies Trust is acknowledged in Aotearoa as the 'expert' on the savings pool model. For Living Economies this is part of a broader aim to decolonise the economy and promote grassroots action towards sustainable community systems. The Trust promotes "solutions including community currencies, timebanking, cohousing and cooperative living structures, no-interest community finance, and show how these simple can help people and businesses deal with economic uncertainty." www.livingeconomies.org

Community-based financing models can be viewed narrowly as a replacement of formal banking, yet by their very nature, they build social cohesion and social capital. Significantly, community-based financing models can also be viewed as part of an ecosystem of activities that grow local economies, strengthen relationships within local communities, restore ecological balance, and build a more sustainable future.

Opportunity: To refresh and document Wesley's vision in local economies and innovation

4. Brief history of savings pools in Aotearoa

Savings pools are informal private groups of people who pool their savings together for each other to use. Members can contribute any amount, either lump sums or regular savings. From this pool, members can support each other by making interest-free loans. When members borrow, the loan is interest-free, but the other members also benefit because the lender pays back the loan plus an equal amount in savings. During the repayment term, those savings are available for others to

borrow. This is called 'reciprocity'. When the loan term is finished the member has money in the pool to either take out or leave in as savings. They have also saved themselves the interest they would have paid a bank. www.livingeconomies.nz

“The Aotearoa New Zealand approach has been developed by Living Economies Educational Trust, following a visit by Board Trustee Bryan Innes to the JAK Bank. At first, Bryan called this approach the “Genuine Wealth System” to highlight one of the core value principles of savings pools, which is that people find wealth within community, not in a bank.”

– <https://www.youtube.com/watch?v=qzNhTCNJ92I>

Savings Pools have operated in Aotearoa/New Zealand since 2009. There was an upsurge of interest following a national hui hosted by the Awhi Tautoko Trust in 2015 with around 30 groups existing in 2016. www.organicnz.org.nz

The Living Economies Trust which provides information and educational resources on Savings Pools estimates there are close to 100 operational savings pools in Aotearoa. There is no national network currently in place but some ties are maintained through common administration and/or common pool membership.

“The autonomy of savings pools is a strength – members like that they are private and exclusive to agreed members. It suits many. It is, however, hard to translate the culture and knowledge across pools.”

– Phil Stevens, The Living Economies Trust.

A National Savings Pool Association was established about 8 years ago as a mechanism to loan money across pools. Legal advice clarified that as savings pools are not legal entities, loans had to be made at a member-to-member level, to individuals. The national association is no longer operating and cross-pool lending is now run through the GEM process: Groups Enjoying Mutual Support. Unlike institutional banking, the point of savings pools is not to accumulate savings, but to grow reciprocity – the rate at which the common wealth is grown through the cycle of lending and borrowing. Low lending rates are considered wasted resource in the savings pool model. A number of pools work together to minimise this waste by lending across pools. This makes larger sums available to borrowers and provides more opportunities for pools to lend. In order to adhere to Aotearoa’s legislation, any funds lent must be a function of a voluntary agreement between individual pool members. Relationships between members across pools facilitates this process, and the GEM process is run at a pool-to-pool level.

There is a network of thirty pools administered by Peter Luiten a former trustee of the Living Economies Trust. People have usually joined the pools through existing relationships - people they know.

“New pools can also take up a fair bit of members time – often only a quarter or a third are part of day to day decision making. It takes people who are very keen and who can put time in. New members typically join as a result of conversation with friends or family. Savings pools work best where there is already a community of trust.”

– Peter Luiten

Very few changes have been made in accounting practice for these saving pools over the years. In Peter’s experience, pools don’t tend to grow very much – they have incremental rather than rapid growth.

In general, the existing pools are becoming stronger and more confident. The biggest pool he administers has 55-60 members. Sixteen of these pools actively use the GEM process. In Peter's view these are the most active pools and the ones most likely to grow.

“Those members have more confidence about their pools – they are able to explain it to others with confidence and can talk about it to friends. Members of networked pools also know the finances are available because of the GEM system. Some smaller pools feel limited by the available money so are cautious about new members.”

– Peter Luiten

Wesley Community Action has been part of recent attempts to grow the scale of savings pools. The Director David Hanna was part of a Ministry of Social Development working group, alongside the Living Economies Trust, some 6 or 7 years ago, looking at a model where government provided funding to a lead organisation to administer pools on behalf of vulnerable communities. Seed money was going to be provided to start each pool, which could then be returned to seed another pool, in an attempt to offer an alternative to third tier funding. The discussion was linked to the development of the Generator Fund but the idea never progressed.

Scaling the Savings Pool movement in Aotearoa is difficult given the legislative constraints.

“Pools are not allowed to advertise themselves. They can provide information but not advertise. Savings Pools are hard to explain simply. People normally join through existing relationships - people they know”.

– Peter Luiten

Phil Stevens from the Living Economies Trust wondered whether it would be possible to scale up through a national governance structure – a nationally managed pool with sub-pools and inter-pool lending. He believes there may be more opportunities to discuss these ideas with government post-election 2023. Peter Luiten agrees that scaling the savings pool movement could be possible with central or local government involvement, but expresses concern about how this might dilute the independence and autonomy of the pools.

The Living Economies Trust is in discussion with some pools about facilitating another national savings pool hui in 2023 or 2024.

Opportunities:

- To work with the Living Economies Trust on a national hui.
- To re-engage government on support for community-based financing models

5. The Porirua Wealth Pool and Pito-One Savings Pool

Wesley Community Action became aware of the savings pool model as a result of engagement with the Living Economies Trust and their local economy work. The Living Economies Trust provided information to establish the Porirua and Pito-One Savings Pools and Peter Luiten was their initial administrator.

The Pito-One pool was established in October 2017 after a number of members attended a Living Economies national hui. It was discussed for some months following the hui and established as a Petone-based pool. It currently has 14 members, including 6 members from a single family,

including some Wesley Community Action staff. Initially Peter Luiten was the administrator and he trained up Bruce Anderson to become the Pito-One savings pool administrator from May 2020.

The Pito-One savings pool has a common member with an Auckland Savings Pool (Green Living) to facilitate cross-pool lending.

The Porirua Wealth Pool begun with community conversations in 2018. There were a series of meetings with community members but the idea was new and hard to understand when it didn't yet exist. Eventually a group of Wesley staff decided to 'learn by doing' and established the pool in August/September 2019. Community members joined soon after and membership has grown steadily to 31 members in May 2023.

Bruce Anderson was an early member of the Porirua Wealth Pool. Recruited for his accounting background, Bruce started supplementing Peter's statements with his own summary statements (for both pools) in November 2020 and created and added phone-friendly versions in February 2021. Bruce took over formal responsibility for Porirua's administration in August 2022

Both pools operate using processes and documents derived from the Living Economies Trust e.g. 'The Common Sense Finance of Savings Pools'. These have been amended over time to ensure the agreements are clear to members (see 'Pito-One Savings Pool Base Document; PWP Treaty Agreement, PWP Process Withdrawals Loans; PWP Decision Tree For Withdrawing Savings).

Pool documents cover how the pool will be administered and run, pool member roles, how savings are made, how loans are requested and the pool decision making process. Templates are provided for requesting a loan and agreeing with a loan request (by email). Pool members sign a membership agreement outlining their responsibilities, their commitments to the pool, decision making processes and how to exit the pool. The Pito-One pool has organised this material into one document. The Porirua Wealth Pool has a set of documents including visual diagrams of key decision-making processes.

Key differences in the documents include:

- Pito-One has an online process for under \$5K loans, and requires a meeting for loans over \$5K; for the Porirua Wealth Pool the level at which a meeting is required is \$1K
- Porirua Wealth Pool has an additional document – a Treaty/Agreement documenting agreed values and desired behaviours of pool members. This is in part a recognition of the financial stress many pool members have experienced, adding extra barriers to exposing their financial situation to others. The document also acknowledges the dynamic of including Wesley staff as pool members alongside community members.

The two pools operate largely the same on a day-to-day level. As the administrator Bruce Anderson says: "Pito-one and Porirua have the same procedures. Withdrawing savings takes priority over lending. The difference is that Pito-One is more middle class – Porirua members are more diverse. There is marginal operational difference."

A further difference is that the Pito-One pool is coordinated entirely by volunteers. The Porirua Wealth Pool receives some facilitation support from Te Hiko, for example Te Hiko has assisted in the development of templates for the Porirua Wealth Pool. Te Hiko has a Local Economies Co-ordinator who is also a pool member who provides some coordination assistance to the Porirua Wealth Pool.

The Pito-One Savings Pool meets quarterly online and more often as needed. Pool members agree

to take on voluntary roles every year. These roles include New Member Liaison; Meeting Organiser; Meeting Facilitator; Oversight of Banking; Bank Signatories; Loan Co-ordinator (with Bruce) and Minute Secretary.

Despite the large number of pool members, the Porirua Wealth Pool has tried meetings in the evening, at lunchtime, online, with food, but attendance is usually under 10 people. Pool members are, however, likely to see each other regularly outside wealth pool meetings as many members are known to each other as whānau and/or as participants in other activities – men's group, vege co-op etc. The Porirua Wealth Pool currently meets every two months in person at Wesley House.

Some Porirua Wealth Pool members are more active than others. Some haven't put savings in for a while or attended a meeting. The view of the pool is that you remain a member while you have money in the pool. Concern for someone who has been absent for a long time is the concern that a community feels for a member of that community. Someone would reach out to them – not for wealth pool purposes but to check they are OK.

There has been some discussion among members about whether breaking the Porirua Wealth Pool into two would help with member engagement and relationship building. This has not yet been discussed with the wider membership.

There is an aim to increase the involvement of Porirua Wealth Pool members in the running of the pool and formalise volunteer roles. Pool members are signatories, and the meetings are generally facilitated by a pool member, with someone volunteering to keep minutes. Pool members are also offering each other support and liaison outside pool meetings, and promoting the pool to others, but as yet have no assigned voluntary role to do this.

Porirua Wealth Pool benefits from the ongoing reflection and insights gathering undertaken by Porirua Wealth Pool members, facilitated by Wesley Community Action. This enables the group to respond to learn and adapt.

In the last year the Porirua Wealth Pool and Pito-One pool distanced themselves from the network of savings pools administered by Peter Luiten, as a result of a differences made to the points allocation system that the Porirua and Pito-One members did not want to adopt. This means these pools are now operating a slightly different system to others. This potentially complicates future participation in the GEMS process for these pools.

Opportunities

- **For Pito-One and Porirua Wealth Pool members to meet to share experiences**
- **For Te Hiko to produce a savings pool resource kit for community use**

6. The Numbers

The Pito-One and Porirua Wealth Pools differ in size. Savings Pools are typically kept small to foster trust and support decision making. The Living Economies Trust suggest a membership of 10-15 is manageable. Cooperative WNC suggests 10-25.

The Pito-One pool sat on a membership of 6 in its first 2 years but from 2019 added a member or two every year until it reached its current membership of 14. The pool is stable with no members yet departing the pool.

The Porirua Wealth Pool was established initially from Wesley Community Action staff, but has

since had community members join, often as a result of relationships built through local community-led initiatives such as the Men's Group and the Good Cents financial wellbeing programme. Since 2020 the Porirua Wealth Pool has grown from 15 members to 31. Three members have left in the last two years (two moved away and Bruce left so he could be an independent administrator).

The two pools have different saving and lending patterns, with the Pito-One Savings Pool saving and lending proportionately larger amounts than the Porirua Wealth Pool.

Over the last two years the Pito-One pool had total savings of \$23,384 (1/7/22) and \$33,903 (1/6/23) and at the end of the same periods had \$18,239 and \$25,652 out in loans.

The Porirua Wealth Pool had total savings of \$19,425 (1/7/22) and \$22,057 (1/6/23), and at the end of the same periods had \$3,885, and \$8,625 out in loans. The Porirua Wealth Pool is generally transacting smaller sums of money across a larger membership.

Over the last two years the Pito-One Savings Pool agreed to 4 new loans in the 2022 year (1/7/22) and 3 in the 2023 year (1/6/23). The Porirua Wealth Pool agreed to 4 and 10 new loans in the last two years. More loans were made in the 2022/23 year. The administrator puts this down to increased confidence and understanding of the processes from the members.

The reasons for loans also differ between the two pools. The comparison is not a complete one, as the data for the Pito-One pool is only available from October 2021. The Porirua figures date from late 2019.

	Pito One	Porirua
Household assets and enhancements	6	7
Vehicles, accessories, and maintenance	3	1
Family events and support	1	13
Clearing other debt and pressing bills	3	11
Other personal reasons and emergencies	0	5

The numbers suggest that Porirua Wealth Pool members are more likely to use loans for family support, debt, and emergencies. These are often costs that families fund through third sector lenders, accumulating significant interest and debt.

The difference a no interest loan makes can be roughly estimated from the following calculations:

- NZ Markets list the May 2023 bank lending rates at 5.25%.
- \$8,626 lent at this rate would have attracted interest of \$431.40.
- \$25,625 lent at this rate would have attracted interest of \$1281.25.

Superloans, a Porirua lender, lists its interest rate as 0–49.9% (the first loan under \$500 is interest-free). The cascade of charges is complex and depends on the amount loaned and your payment rate. For the sake of comparison, assuming borrowers are paying the median rate of 25% over the length of their loan:

- \$8,626 lent at this rate would have attracted interest of \$2,156.50, and,
- \$25,625 lent at this rate would have attracted interest of \$6,406.25.

Access to interest-free loans is then a significant contribution to the members, particularly those who might have resorted to third tier lenders.

Neither pool has ever recorded a debt default. In one pool, members agreed to gift points to a

member who was struggling with repayments. This shortened the length of time it took for the borrower to repay and save the required amounts.

The differences between the pools don't matter – savings pool members agree amongst themselves how to manage savings and loans based on what works for them. Looking at the patterns, however, can help members reflect on the success of their pool so far, and discuss whether they want to make any changes.

7. Members' feedback

The Porirua Wealth Pool has been included in quarterly insight gathering as part of the ongoing learning and evaluation process of Te Hiko.

When the Wealth Pool was first being explored (2018/19) the Wesley team saw how difficult it was to explain savings pools to people who had never seen or experienced them. People only wanted to talk money with those they knew – trust was a big issue. People doubted whether they could save, and whether a pool could work in Porirua – it felt like a very big idea.

The Wesley team knew they could build trusted relationships in the community – the cooking groups and Good Cents were examples. Staff wondered how to describe the savings pool in a way that made sense to the community. They agreed to start a savings pool, as volunteer members, so people could see it.

By December 2022 the Insights report notes that growing wealth pool membership has been a slow process. The administrator changed and members were hoping for more transparent processes as not all members fully understood the wealth pool systems. Wesley had recruited a Community Innovation Worker who could do some facilitation of the Wealth Pool, with a focus on keeping communication flowing. Different meeting times were being trialled with little difference in attendance.

By April 2023 the involvement of staff in the Savings Pools was again discussed, with a comment that Wesley's practice is to try something themselves to understand and experience it as part of adapting it for communities.

"We struggle with things until we do it ourselves... we work as members of communities not as paid professionals."

The need to create clarity for everyone was noted.(Wesley Community Action Insights October 2019; December 2022; April 2023).

To inform this report, pool members were surveyed or interviewed on their experience of the savings pool.

Members came to the pools through family, friends or Wesley activities. Most Pito-One members were also members of their local timebank. Most Porirua Wealth Pool members had been through Good Cents and/or were also members of the fruit and vege co-op, the men's group etc. The Porirua Wealth Pool is seen by many as 'Good Cents 2' as it provides an opportunity to save based on relationships built in the Good Cents programme.

"I was shocked when I heard about the wealth pool. I thought Is it that easy? And it is that easy!"

What members like about the savings pools is seeing people grow their savings, and being able to make loans for things people need, that they would otherwise struggle to afford. Members equate

success with making loans available and they also value the capability building. Members felt their savings were safe and that savings pool processes slow down spending so you are less like to 'dip into' savings.

"Being able to draw out money when I need it – knowing it is there, not worrying that I have to find it."

Highlights include meeting others and getting to know like-minded people. Receiving loans is a highlight for some, while for others it's knowing their money is useful for people when they need it. People who have borrowed money from the pool rather than a bank talk about being able to pay back loan money and save at the same time as a real benefit.

"You see people not having to panic – people build confidence that there's a way forward if the fridge breaks down or the car needs fixing."

For some, learning that they can save is a big step, especially knowing that even if you are struggling financially you can help others. Being able to talk freely about money is a benefit for some members. Learning the systems and processes of the pools takes time and members in both pools are still learning e.g. how the points work.

"I've learned that I can save, knowing my money is safe and can help others."

"I've learned just how valuable small amounts of money can be."

"Learning together is amazing – what we learn in this room members take out into the community and use to support each other."

"Our pool has had disagreements – but we've worked them through."

Pito-One members acknowledged the need to talk about bringing new members in and the reliance on one or two people to bring in new members. There is also concern that the pools rely on a few people are keeping things moving.

"All the roles have been very much 'looked after' by a few original members and it's a process to get new people taking things on - but it's happening."

In both pools members listed understanding the complexity of the systems as a challenge. The financial reports are complex and hard to read on a phone – members find the explanations at meetings helpful. Both pools also have challenges with the level of engagement from pool members and keeping members with loans engaged was a particular concern.

"People that haven't been to a meeting don't get a sense of how it runs. People should be encouraged to come to at least one meeting. A night meeting every so often, like every 3 months could encourage those working."

Members wanted to see the pools keep going and growing. Some members wanted to see the pools help with home ownership, but the morality of feeding a speculative housing market was also raised.

One suggestion was for the pool to consider local investment.

"I'd like us to contribute something towards our community, like have a common goal and donate a small amount each by a certain time to help our community."

People define wealth broadly, in terms of a happy, healthy, and fulfilling life, being able to provide for family, having an abundance of things you need. For some wealth is defined as being free from

financial pressure.

“To be able to live comfortably week to week and not struggle. To have more than enough.”

Others defined wealth as community wealth – the ability to help each out when needed, helping out together.

“You derive your individual wealth from community wellbeing.”

“When we can say to any problem that we did it together. Shared hope and working towards it together.”

“The ones we help, they help out too – we help out together.”

“We show we care for each other through money. It’s not easy to do but that’s what we are doing.”

In terms of other ideas to build community wealth, the timebank members saw potential to link the pools to timebanking. In Cannons Creek the timebank potential is less clear to members and there have been issues getting the Porirua Timebank up and running consistently. This was described by one member as, in part, a tradition of eastern Porirua people being willing to help others but not feeling that they need help themselves. The technology of the timebank has also presented barriers. Other suggestions for further Wesley action included broadening the fruit and vege co-op to provide meat to whānau. There was a suggestion of local investment in small businesses.

“By helping other members in our community bring their small ideas to life, like if somebody in the pool wanted to start a small business they could borrow from the pool, and use it towards their small business set up.”

Overall members are still learning about the pools while participating in them. In Porirua the adapted documents, flow diagrams and facilitated meetings are an important contribution, helping members participate and feel heard. Trust is eroded if decisions are made without participation or where members don’t fully understand decisions around money.

“There’s an attitude in the community not to trust systems – people refer back to their lack of trust in the system when making pool decisions – It takes people a while to realise in the pool we are the system.”

“It’s a restorative process and that takes time – people realising their tino rangatiratanga.”

All processes need to be transparent, and clear consistent communication is needed to keep people up to date. Sharing responsibility and tasks among members is an issue in both pools.

The earlier concern about the participation of Wesley staff as members of the Porirua Wealth Pool has lessened over time. As Makerita, Team Manager Te Hiko, explains,

“People know we are staff but we show up as people. It’s our money in the pool not Wesley’s. We don’t pull rank, and anyway our community are not easily steamrolled.”

Pools are built on relationships – for both pools these relationships are reinforced by interaction outside the pool meetings. Useful pool conversations are had outside pool meetings and the pool is part of supportive community relationships. The ‘communities of trust’ necessary to grow the

pools already exist for most members.

Opportunities

- For both pools to revisit agreements about participation in pool decision making and meeting attendance
- For the Porirua Wealth Pool to assign volunteer roles to pool members
- To consider splitting the Porirua Wealth Pool into 2 to increase interaction and engagement
- To explore the timebank, men's group and other connections as a way of providing more voluntary support to pools and building community resources

8. The legality of savings pools

The Living Economies Trust advises: "In general, pools might wish to remember that third-party savings and loans are especially likely to be subject to legislation on financial advice, as are any services that are offered as a business activity. This is one reason why savings pools maintain direct, personal relationships among members, with all members having a say in each loan request, and with administration carried out by pool members on a voluntary basis."

www.livingeconomies.org

A review of the relevant financial legislation suggests some common themes.

Savings Pools operate outside of the financial legislation, i.e. are not considered financial services, provided by financial providers unless:

- financial advice and/or lending is provided and promoted as a business service
- there are charges and fees for the service
- there are paid advisors
- money is pooled and invested in a way that obscures individual contribution.

Essentially Savings Pools can't operate as financial service businesses. As Bruce Anderson explained, *"we are clubs, sharing money around when we need it."*

Ideally, Te Hiko would clarify its relationship to the Porirua Wealth Pool, ensuring that the pool remains independent of Wesley Community Action.

9. Conclusion

The Pito-One Savings Pool and Porirua Wealth Pool are enjoyed by members as a way of building trusted and supportive relationships around money. They provide a real alternative to bank- and third-sector lending. Both savings pools sit alongside other local economy activities in their communities, such as timebanks and the fruit and vegetable co-op. The Pito-One Savings Pool is known to Wesley Community Action through the membership of some staff. The Porirua Wealth Pool has been fostered by Te Hiko as part of its community-led local economies work.

The pools are different as their members are different. They both meet the objectives of building community relationships, growing skills and confidence, and forming a building block in a wider ecosystem of local, sustainable, wealth building.

10. Opportunities summary

- To refresh and document Wesley's vision in local economies and innovation.
- To work with the Living Economies Trust on a national hui.
- To re-engage government on support for community-based financing models.
- For Pito-One Savings Pool and Porirua Wealth Pool members to meet to share experiences.
- For Te Hiko to produce a savings pool resource kit for community use.
- For both pools to revisit agreements about participation in pool decision making and meeting attendance.
- For the Porirua Wealth Pool to assign volunteer roles to pool members.
- To consider splitting the Porirua Wealth Pool into 2 to increase interaction and engagement.
- To explore the timebank, and other connections as a way of providing more voluntary support to pools and building community resources.