



## **Wesley Good Cents initiative provides the confidence to tackle debt.**

**Completing a Good Cents budgeting programme has had many benefits for Kay (not her real name.) A \$2,000 debt with the IRD has been re-accessed; she has managed to repay outstanding debts with 2 loan companies that were costing her \$110 per week; and perhaps the main benefit; she has regained confidence in herself.**

Wesley Porirua Manager, Makerita Makepulu noted that when Kay started the 8 week programme, she was by far the quietest in the group.

Life had not been easy for Kay. Her mother died when she was 12 years old, and although her working father could sustain the family financially, Kay chose to leave home at the age of 14 to go and live with a sister.

Leaving home and learning to cope on her own was a huge 'wake-up call' for Kay and she found herself struggling. A brief attempt to return to school at 15 was unsuccessful, and by the age of 16 she found herself 'on the benefit.' By 18 she was pregnant and living with another sister to make ends meet.

Sharing accommodation with others is not something that a much wiser Kay now recommends, "I won't share my home again. I like to do my own thing." Sharing accommodation back in those days often meant loaning money to help friends and family. It was perhaps during this time, that Kay developed a habit for loaning and borrowing money, without being fully aware of the consequences.

"I remember on occasions being asked by a friend for money, so I would give it to them even though I was often in debt myself," recalls Kay. However, as Kay later realized, her friends' money worries often occurred because their partners were "playing the pokies, or drinking," and Kay's loan money only served to encourage these bad habits. Kay now recognises that her priority is looking after herself and her two sons, and that loaning or borrowing money is not as easy as it seems. There are repercussions.

Over the years Kay had approached Wesley Community Action in Porirua on several occasions, either for counselling assistance, or more recently for food bank assistance. On one of these visits in 2009, she was asked if she would like to

participate in the Good Cents budgeting education programme, and decided to take up the opportunity.

One of the first exercises she completed was to record every item she was spending money on, for a whole week. She had never done this exercise before, and was amazed at what she learned.

“It really opened my eyes. I had got into the habit of short term loans and was in debt with three different loan companies,” recalls Kay. It wasn’t big debt, but she was loaning money to spend on things like video games for her oldest son. Her loans were costing her \$202 per week.

The exercise also showed her how to cut back on her unnecessary expenses, and she quickly began to pay-off two of the loan companies. However it wasn’t easy to turn her back on the comparative ‘easy money’ provided by the loan companies and during a weak moment, she re-borrowed from one of the very companies she had just paid off.

However the short term joy of having ready money again was followed by the realisation that she was back on the treadmill, struggling to pay debts. This learning was shared with others in her Good Cents group, and Kay moved quickly to repay the money she had just borrowed.

Part of Kay’s Good Cents programme involved learning to communicate and to talk about the issues of debt. Skills which she put to good use when debt collector BayCorp rang her demanding payment of overdue school fees for her son’s education; armed with her Good Sense skills, Kay quickly realized BayCorp were requesting weekly repayments that were well beyond her means, and negotiated a better outcome.

In the same way Kay faced up to an old debt with the Inland Revenue Department (IRD) that had been ticking away for 16 years and had now grown to a debt of over \$2,000. Negotiations with the IRD followed and eventually the debt was cancelled on hardship grounds.

What Kay liked about the Good Cents programme was that, “while other courses tell you what to do; Good Cents, helped to put *me* in charge of *my* money, so it was me making the decisions, not someone else.” In the process, Kay has found her confidence, and is clearly proud of her achievements. She has regular work in a local supermarket, her family is eating cheaper more healthy food, and life is good. Looking ahead, her first priority is paying off the remaining loan, and beyond that she plans to save enough to take her family on holiday.

Given Kay’s new found confidence and her Good Cents skills, there is little doubt she will achieve her goals. (Ends)