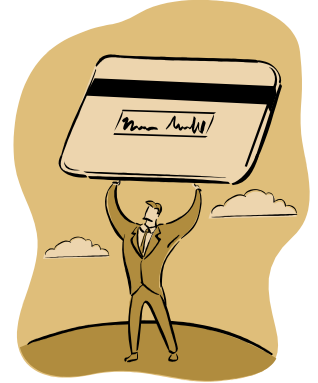




MAKING ENDS MEET

We hear from within the credit card industry that there is an increasing trend in the last 12-18 months for people to put their day-to-day basics onto their credit card account to make ends meet. 10% of these credit card bills are accounted for with groceries and utilities. Worcester CASH and indeed some credit card companies recommend that people who find they are struggling should speak to someone at the earliest moment, without delay.

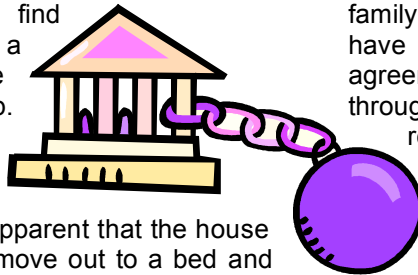


UNFORTUNATE CIRCUMSTANCES (a client story)

Sally and her husband Brian, like many other couples, worked hard to support their family of three young girls, had a mortgage, car loan and a couple of credit cards, all of which were managed well and without problem; that was until Brian injured his back at work in 2004. This injury meant that he was unable to continue with his business as a self-employed builder.

Sally took on some more hours, but the income was not enough and they turned to their credit cards to pay for essential items, the debts rose until they remortgaged their home in an attempt to address the situation.

The stresses and strains became too much for them and as a result they eventually split up in 2007, selling the family home. Sally searched for a suitable property for her and the girls to rent, but there were fewer rental properties around as quite a few people had become temporarily homeless as a result of the floods of that summer, and Sally couldn't find anywhere to live. She then found a repossessed property which she could afford so she snapped it up. However in her haste to re-home her family she didn't have the house surveyed thoroughly and when they moved in it was soon apparent that the house was uninhabitable. They had to move out to a bed and breakfast whilst essential repair work was carried out.



These events took their toll on Sally's mental health. Then someone very close to her died suddenly. She was devastated. Although she continued struggling into work, she couldn't cope and was eventually signed off work. With the money from the sale of the house gone, she felt that she had no choice but to use her credit cards to pay for essential bills including the mortgage.

It was then that her doctor suggested she contact Worcester CASH to see if we could help with her financial situation. The first thing we did was to ask Sally to tell us her story, and as it unfolded it was clear that she had been a victim of circumstance. This proved to be a very important part of the healing process for Sally as she had been carrying around an enormous amount of guilt with her as well as the burden of the debt itself.

Sally was terrified of losing her house again, and frightened of the thought of bailiffs coming to her house. We did a financial statement with her and it was clear she was unable to afford the contractual amounts she had on her loans and credit cards. With the money that she had available it was going to take her almost 20 years to pay off what she owed on her unsecured debts. However she was adamant that she wanted to pay whatever she could.

We worked out that although she could not afford the contractual amounts of her debts, she could afford to pay something and so we discussed the option of an Individual Voluntary Arrangement (IVA).

The IVA was a great solution for Sally as the arrangement was drawn up to meet her needs and it met her preference to pay as much as practical back. The family home was not under the same risk as it would have been in bankruptcy as the creditors were in agreement and recognised that they would receive more through the IVA than if she had gone bankrupt. Sally was relieved that she didn't have the concern over the stigma or restrictions attached to bankruptcy. She will be free of her debts within five years, when the terms of the voluntary arrangement are completed.

Based on a real client. However, names and other details have been changed to protect identities.

We would like to thank all our supporters for their prayers and donations. It is your continued generosity that makes this vital work possible.

CHURCH PRESENTATION

Neal will be talking about Worcester CASH to a group of church leaders at the next Jesus in the City meeting on 7th September. It is important that CASH is well supported amongst the local church community.

- ***If you would like us to do a presentation on debt, or money management at your church please email church@worcestercash.org.uk***

ASHA

Great News! The Severn Trent Trust Fund has awarded a grant for Worcester Cash to provide debt advice to Asha clients... and even better, it's for 3 years. Many thanks to all involved for their hard work.

Asha is a women's centre, now based in the old Haresfield House Surgery in Worcester. They "help women who are isolated by disadvantage to gain access to the resources which they need to help them address their problems and achieve their social and economic potential". These women can have a variety of difficult circumstances, from being a struggling single parent to coping with abuse, or being newly released from prison. Helping them with money issues is a very important part of them becoming effectively established in society.

This is the first partnership of this type that we have entered, so there are many things we are doing for the first time.

One of the most interesting things I found in this process was hearing that staff at Asha like working with Christian organisations because they can expect them to be kind to their women.

We are now in the middle of the recruitment process, looking for a part-time female money adviser, who will work well in this environment and share our vision to show the love of God practically to these women. We will keep you up to date with how it is all going.

VOLUNTEER PROFILE

Clive Drage – Budget Coach

Can you tell us what lead you to volunteer for CASH?

Up to two years ago I was Group Commercial Director of a National Construction Group. This was quite stressful and entailed travelling around the country visiting offices and sites operated by the Group with lots of early mornings and late nights. So I decided that I would retire early and go travelling with my wife for a few months. On my return, I soon realised that with the extra time I had, I ought to be putting my energies into something constructive.



The Pastor at my church suggested I get in touch with Worcester CASH and I was pleased to find out that this would be a practical way for me to help others, that I

would be given training to help adapt to the new role, and that I would be able to volunteer on a part time basis.

How have you found your first few months as a Budget Coach?

I quickly became aware that most of the clients who come to CASH are seeking help with their debts which have occurred as a result of personal circumstances such as the bereavement of someone close, the breakdown of a personal relationship, health problems or the loss of employment.

When clients first make contact with CASH they are seen by one of the Money Advisors. As well as setting out proposals for dealing with the clients debts and reviewing their income and benefit entitlements, a Budget for weekly or monthly expenditure is prepared.

As a Budget Coach I work with clients to help them to carry out the advice given to them by the Money Advisor, checking that they have made any necessary payments and that they are able to keep their expenditure within their Budget. Sometimes I help set up new bank accounts or direct debits, or help complete benefit application forms. It is important to be encouraging and offer moral support, and reassure them about any action by creditors. I also introduce them to a system for prioritising spending which has proven to be useful for many clients.

I meet clients once a month to review their experience of managing their budget and to encourage them to prioritise their spending to reflect their own needs.

I have been meeting clients for the last few months and enjoy the role immensely. I find it extremely rewarding when a client is able to adjust their spending and starts to enjoy the long term benefits, and when I see the relief they feel once they have their finances under control.

I have learned a lot through this process, particularly in relation to people skills but also that whatever our income or expenditure, it is better to have some budgetary control over our finances.

That sounds like a responsible role; what has the training been like?

It is surprising how much there is to learn about money, together with the various forms of payment and benefit entitlements, the number of issues that arise out of credit cards, banks and other money lending facilities. But like me you don't need to be an expert about money to volunteer. The training was very thorough and covered various forms of debt and debt strategies together with some of the more interpersonal skills necessary.

➤ ***If you would like to volunteer as a Budget Coach, please email volunteer@worcestercash.org.uk.***