



Media Release

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Kick-off The New Year Debt With Moneycare

As the post-Christmas bills start rolling in, The Salvation Army's Moneycare is urging people to reassess their financial situation in order to have a debt free year.

Moneycare, The Salvation Army's free financial counselling service, has reported an increase in demand over the holiday period with the wait times in some areas doubling to four weeks.

Additionally, new Roy Morgan research from The Salvation Army has revealed 1.8 million people will take 2 to 3 months to pay off their Christmas credit card debt with a further 476,000 people taking 6 months or more.

Kristen Hartnett, financial counsellor at Moneycare, says the new year period is the perfect time for people to take stock of their finances.

"Taking small steps can lead to big changes. If you are one of many Australians who resolved to do something positive about your finances this year, now is the time to turn your good intentions into actions," Mrs Hartnett said.

"The new year is also great time to start saving for something: a holiday, a rainy day fund, a new lounge or Christmas 2017."

Mrs Hartnett says financial counsellors are a great way to help get your finances in shape.

"Financial counsellors can provide tips for what to do if credit card debt is weighing you down, how you can affordably stock up on things the kids need for school, and how to start a savings fund."

"Automating the payment of bills and savings, or sending yourself reminders via electronic calendars are just a few powerful ways to change your financial behaviour."

New Roy Morgan research from The Salvation Army highlights the real need for people to think strategically about their finances this year. The research revealed that 529,000 people often get into more debt than they cannot comfortably afford to pay back while 484,000 people almost always get into debt they cannot afford to pay back.

Many Australians under financial stress often turn to pay day loans and consumer leases but Mrs Hartnett says "increasing the levels of debt, particularly this risky form of lending will only exasperate the problem." Mrs Hartnett says financial counsellors are always a safer alternative.

"We encourage people to see a financial counsellor first if they are experiencing financial stress. Financial counsellors can advocate on your behalf and negotiate a payment plan with the people you owe money too. Additionally, No Interest Loans Schemes (NILS) provide safe and affordable credit to people for essential items," Mrs Hartnett said.

The Salvation Army is also encouraging the public to connect with its unique financial literacy education program, "You're the Boss". The app is free and provides financial tips, information and other resources to help you stay on top of your money. For more information please visit <https://salvos.org.au/moneycare>

For media comment please contact: The Salvation Army Media Department: (02) 9466 3143

Financial Tips for 2017



1. Do you feel overwhelmed when the bills come in?

- Ring your provider, check that you are on the best deal/plan.
- Ask your electricity provider how much your electricity costs on a weekly or fortnightly basis.
- Have this amount transferred from your bank account to your utility provider each pay day.
- Check out all your options before borrowing more money.

2. If your credit card debt is weighing you down:

- Contact the credit provider, ask for the hardship department and organize a repayment plan.
- Arrange to have the credit card bill payments made automatically from your bank account on the day that you receive your pay.

3. If you're stocking up on things the kids need for school:

- Wait and see - when your kids return to school, check with the teacher what they will need.
- Keep it simple - make a list of 'must haves'.
- Label everything!
- Shop for what lasts - look for quality shoes and bags.

4. Start a savings habit: The new year is a great time to start saving for something: a holiday, a rainy day fund, a new lounge or Christmas 2017

- Have \$10 or 10% of your income transferred to a savings account every pay day.
- If you want to do this manually: Put a reminder in your phone or your electronic diary to send you alerts.

5. If you want to talk to someone about getting on top of your finances:

- Free, non-judgmental and independent help is available with a financial counselor. Phone 1800 007 007. Reaching out is often the first step to great change.

6. Do something fun for yourself and do something nice for someone else:

- Our financial situation won't always change overnight, but we know we can still enjoy the everyday by being purposeful in doing something we enjoy or something for someone else: walking, reading, getting outside, phoning a friend or something as simple as bringing in your neighbour's bins.