

## CASE STUDY – DECEMBER 2009

### Financial Counselling

#### Family/Issue:

- Isolated single mother with 2 young children with medical issues. No working fridge, Centrelink income only.

#### Outcomes addressed:

- Mother linked to Annexe Community Centre
- Family now have new fridge, reduced cost with small affordable repayments.
- Mother attending regular financial counseling appts.

#### Reporting context:

Financial counseling is a program that provides community members with support, information and advocacy to enable increased financial literacy and to get finances under control.

NILS (No Interest Loan Scheme) assists people on low incomes get new household goods with a loan with no interest and affordable repayments.

#### Case Study content

Kathleen is a single mother with two young children. Sole income is Centrelink benefits. When Kathleen moved into her own property 8 years ago she was given a second hand fridge and washing machine. In the same month both appliances broke down, after a month of hand washing Kathleen was able to save enough money for another second hand washing machine. She was still buying ice daily to put in an esky to keep milk cold.

Kathleen (client) attended a NILS appointment. During that appt it was identified that she had significant financial issues, nonpayment of bills, rent etc, however she was not able to say where her money went. Due to her financial issues, she was not suitable for a NILS as further credit would place her in financial hardship. We discussed her options and agreed that Kathleen would return for financial counseling to work on her debts and day to day finances.

Kathleen came to the Annexe during Outreach, we drew up her budget of what she was doing, and Kathleen realized that a large amount of her money was going on take away food. Kathleen has two young children that have medical issues, they attend a lot of appointments and their habit was to get takeaway food after each appointment, as a treat and as they were often very tired.

Kathleen was horrified at how much money was spent on this habit, as we went through a month's worth of her bank statement and added up all eftpos purchases at takeaway outlets. She had no idea on the amount spent.

We then discussed strategies to stop the bad habits, healthy cooking, re-heatable meals, cheap snacks to take with them. We also organized Centrepay for her rent and utility bills.

We then redid her budget, allowing a small amount for takeaway so the family still got a weekly treat, and a short term money plan.

After a few appointments, Kathleen's financial situation was much improved and we were able to apply for a NILS.

As Kathleen still only had a very small surplus per fortnight, it was decided that we would apply for a grant to help with the costs of the fridge, and we were lucky enough to get a Wyatt grant of \$500 leaving a much smaller loan amount for Kathleen to repay.

I sent off to the Finance department for the cheque to be drawn down for Kathleen's loan, however I was unable to get the cheque before I was due to go on leave over the Christmas break.

As I had the cheque from the Wyatt Trust, I rang the retailer (Harvey Norman) and asked if they would consider allowing Kathleen to take possession of the fridge before the cheque was available, letting them know that I would deliver it personally to them when I returned from leave. To my surprise they agreed!

So Kathleen was able to get her new fridge before Christmas which has enabled her to put healthy snacks of fruit and veg which will assist with the health of the family. She is still attending financial counseling appts and has returned to the Annexe to use the computers and have some time out of the house for herself and the children without being for a medical appointment.

She also has the benefit of a new fridge with low electricity consumption, and has since received a new electricity bill which is quite a bit lower than it used to be. Kathleen has plans to apply for a NILS for a washing machine once her current loan is paid off, which should hopefully reduce her water and electricity bills even more.