

Time For A Financial Wellness Check Up – www.voxy.co.nz, 9 December 2009

A new study confirms that the organisations that help people sort out their finances do a great job, but they say they can't keep up with the demand.

The Families Commission released a study today Escaping the Debt Trap - Experiences of NZ Families Accessing Budgeting Services confirming that budgeting services were effective in helping people overcome problem debt.

NZ Federation of Family Budgeting Services chief executive Raewyn Fox said the study released by the Families Commission today was great news.

"We're pleased to have some external evidence to back-up our belief that our services work. In particular the study confirmed that the services we offer help Kiwi families get on top of debt.

"However we are filled to capacity. The recession has meant there are more people who need our services. That means some of our work isn't happening, in particular we are dropping the ball on some of our early intervention and financial literacy workshops. This is the work that helps prevent people getting into problem debt.

Most budgeting services are under-resourced and need more personnel to cope with the in-flux, she said. A recruitment campaign is currently underway for more volunteer advisers to cope with the need.

"We'd prefer to be focussing on giving help before things get out of control, such as when someone's life gets thrown into chaos by injury, birth, death, or redundancy. We can help families plan their way through it, instead of catching them when things have escalated too far. At the moment we don't have the resources to do enough of the early intervention."

Even earlier intervention occurs at financial literacy workshops, which the services are struggling to put on because of stretched resources, she said

The best time for free budgeting advice is right now, before things get out of control, said Fox.

"We like to say that going to see a budget adviser is a bit like going to see your doctor or dentist for a check up, except you walk out with improved finances rather than a bill. We call this a financial wellness check up. Whoever you are, you should have one regularly."

She warned that not all budgeting services are the same.

"Due to a lack of regulation, there are many 'budget services' out there offering advice in the community. Make sure the service you visit has NZFFBS certificated budget advisers. Our federation's members are highly trained and experienced, and have an entire network of experts for support. Federation services are audited annually to ensure they meet very rigorous standards."

There is a lot of conflicting information about how best to manage your finances, and it is best to get the independent, expert advice of a budgeting service.