

# Talking Money

## in Neighbourhood Houses

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# A bit about me



# Today's session

## → Tools for your toolbox

- Making budgeting simple
- Strategies for saving
- Saving on your power bill
- Money traps to avoid

## → Useful referrals and resources

## → Applying these tools to existing NH interactions and activities

# What's your money story?

Everyone has their own money story –  
**a set of beliefs and attitudes that shape how they use money.**

## Activity

At your tables complete one of the following:

1. What familiar sayings did you hear growing up? Discuss how this may have shaped your view or approach to money today.
2. On the butchers paper, write 3 words that describe money in your life.
3. Pick an image that reflects how you feel about money. Share with the person next to you.





TOOLS FOR YOUR TOOLBOX

# Making Budgeting Simple



# Making Budgeting Simple

**2** steps to **taking control** of your money:

## **1. Track your spending**

See where your money is going each day and get to know your spending habits.

Identify if you have any spending leaks.

## **2. Create a budget or money plan**

Rethink the language; money plans can evoke a more positive response than budgets.

Plan where your money goes instead of wondering where it went!

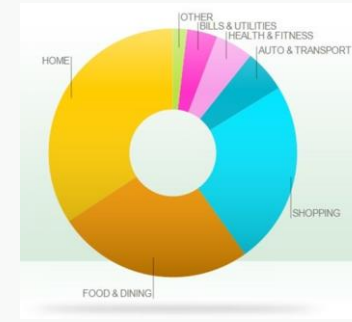


# 1. Track your spend: tools to use

## Mobile Apps



## Online Banking



**FIRST BANK OF WIKI**  
1625 JAMES ST. PO BOX 4000  
VICTORIA BC V8X 3K4 1-800-555-5555

CHECKING ACCOUNT STATEMENT  
Page: 1 of 1

JOHN JONES  
1543 DUNDAS ST W APT 27  
TORONTO ON M6K 1Y2

Statement period: 2003-10-01 to 2003-11-01  
Account No: 00000-123-456-7

Date	Description	Ref.	Withdrawals	Deposits	Balance
2003-10-01	Previous Balance			694.81	694.81
2003-10-14	Payroll Deposit - HOTEL			100.00	794.81
2003-10-14	Vibb Bill Payment - MASTERCARD	9885	200.00		594.81
2003-10-16	ATM Withdrawal - INTERAC	3090	21.25		573.56
2003-10-16	Fees - Interac		1.50		572.06
2003-10-20	Interac Purchase - ELECTRONICS	1975	2.99		569.07
2003-10-21	Vibb Bill Payment - ALEX	3314	300.00		269.07
2003-10-22	ATM Withdrawal - FIRST BANK	0064	100.00		169.07
2003-10-23	Interac Purchase - SUPERMARKET	1039	20.00		149.07
2003-10-24	Interac Refund - ELECTRONICS	1815		2.99	152.06
2003-10-27	Telephone Bill Payment - VISA	2475	5.77		146.29
2003-10-28	Payroll Deposit - HOTEL			694.81	741.07
2003-10-30	Vibb Funds Transfer - Fees - SKOUTS	2029	33.55	50.00	757.52
2003-11-03	Pro-Rate Payment - INSURANCE		150.00		607.52
2003-11-03	Cheque No. - 409		715.40		-107.88
2003-11-07	Fees - Overdraft		5.00		-112.88
2003-11-08	Fees - Monthly				-117.88
*** Totals ***			1,515.83	1,442.01	

## Paper Based



## 2. Create a money plan: tools + templates

**Budget planner**

This calculator helps you work out:

- where your money is going
- customise item names
- save your results

**Budget planner**

View: Annually

Income	\$	Frequency	\$0
Your take-home pay		Weekly	\$0

**ONLINE TEMPLATE**

Child support received		Monthly	\$0
Other		Monthly	\$0

**Home & utilities**

	\$	Frequency	\$0
Mortgage & rent		Monthly	\$0
Body corporate fees		Quarterly	\$0
Council rates		Quarterly	\$0
Furniture & appliances		Annually	\$0
Renovations & maintenance		Annually	\$0
Electricity		Quarterly	\$0
Gas		Quarterly	\$0
Water		Quarterly	\$0



**My MONEY Plan**

Money in

Source	Monthly after tax	Fortnightly after tax	Monthly after tax	Quarterly after tax
Net Income				
Govt benefits				
Other income				
Total income				

Money out

Category	Monthly	Fortnightly	Monthly	Quarterly
Living				
Transport				
Health				
Education				
Other				
Total				

**PUT IT ON PAPER**

Category	Monthly	Fortnightly	Monthly	Quarterly
Living				
Transport				
Health				
Education				
Other				
Total				

Total income \$ minus Total expenses \$ = \$ my money!

[www.moneysmart.gov.au/tools-and-resources/calculators-and-apps/budget-planner](http://www.moneysmart.gov.au/tools-and-resources/calculators-and-apps/budget-planner)

[www.fnf.org.au/money-tips.html](http://www.fnf.org.au/money-tips.html)

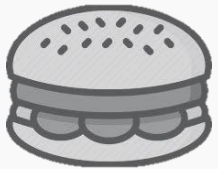


# Plug a spending leak

**Spending leaks** are small amounts of money that you spend without noticing, but end up costing you lots over time.



Bank Fees:  $\$10 \times 26 \text{ fortnights} = \$260$



Burger:  $\$5.85 \times 52 \text{ weeks} = \$304.20$



Coffee:  $\$4 \times 365 \text{ days} = \$1,460$

## Activity (3 minutes)

Identify something in your life that might be a spending leak:

1. How much does it cost?
2. How often do you purchase it?
3. How much does it cost you per year?

# Strategies For Saving



# Saving Challenges

You will need:

- 3 empty drink bottles (1litre/600ml/250ml)
- Sign asking:  
“How many dollars worth of \$2 coins can fit in this bottle?”



# 52 Week Savings Challenge

You will need:

- 52 Week Savings Challenge template



## 52 Week Savings Challenge

Build a savings habit!  
Each week increase the amount you save by \$1...  
After 12 months you will have saved **\$1378!**



Week	Amount to save	Savings balance	✓ once saved
1	\$1	\$1	
2	\$2	\$3	
3	\$3	\$6	
4	\$4	\$10	
5	\$5	\$15	
6	\$6	\$21	
7	\$7	\$28	
8	\$8	\$36	
9	\$9	\$45	
10	\$10	\$55	
11	\$11	\$66	
12	\$12	\$78	
13	\$13	\$91	
14	\$14	\$105	
15	\$15	\$120	
16	\$16	\$136	
17	\$17	\$153	
18	\$18	\$171	
19	\$19	\$190	
20	\$20	\$210	
21	\$21	\$231	
22	\$22	\$253	
23	\$23	\$276	
24	\$24	\$300	
25	\$25	\$325	
26	\$26	\$351	

Week	Amount to save	Savings balance	✓ once saved
27	\$27	\$378	
28	\$28	\$406	
29	\$29	\$435	
30	\$30	\$465	
31	\$31	\$496	
32	\$32	\$528	
33	\$33	\$561	
34	\$34	\$595	
35	\$35	\$630	
36	\$36	\$666	
37	\$37	\$703	
38	\$38	\$741	
39	\$39	\$780	
40	\$40	\$820	
41	\$41	\$861	
42	\$42	\$903	
43	\$43	\$946	
44	\$44	\$990	
45	\$45	\$1,035	
46	\$46	\$1,081	
47	\$47	\$1,128	
48	\$48	\$1,176	
49	\$49	\$1,225	
50	\$50	\$1,275	
51	\$51	\$1,326	
52	\$52	<b>\$1,378</b>	

As motivation, keep a picture of what you want to spend your savings on with this savings record. Happy saving!

Good Shepherd Australia New Zealand

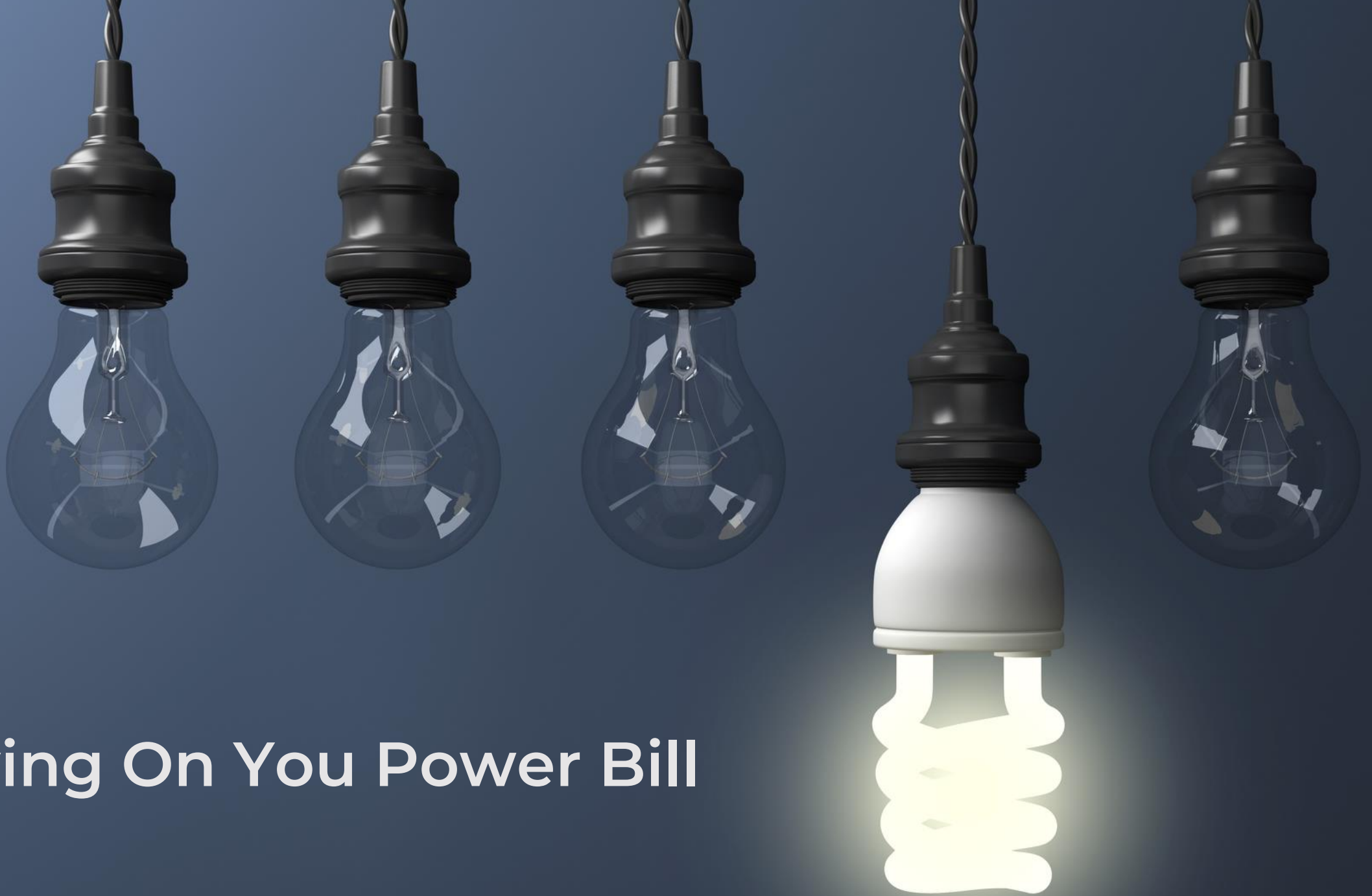


# Send a SMART Goal

You will need:

- SMART goal template
  - S**pecific
  - M**easurable
  - A**chievable
  - R**ealistic
  - T**imely
- Envelopes and stamps





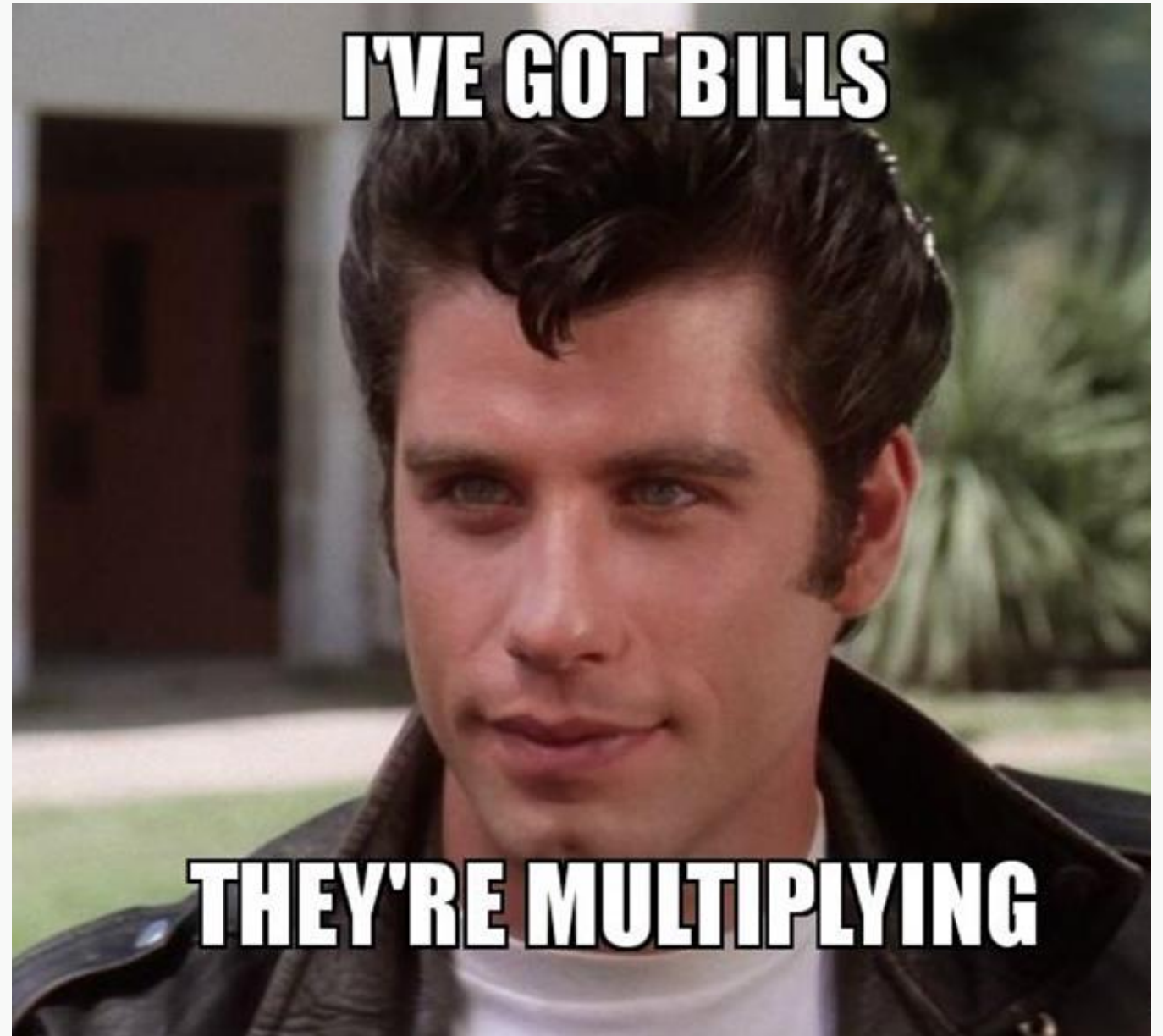
Saving On Your Power Bill

## Money is a sensitive topic

No matter how friendly and safe your centre is, **money is a personal issue.**

Learning about money can also be a little dry!

Bringing some **humour** to the topic can help start a conversation.



# Free ways to reduce your bill now

## Use less hot water



- Up to 25% of bill
- ✓ Huge energy guzzler
- ✓ Cold clothes washing
- ✓ Full dish-washing
- ✓ Shorter showers

## Climate control



- Up to 38% of bill
- ✓ Only rooms you use
- ✓ Keep doors closed
- ✓ Not too hot or too cool
- ✓ Get cosy

## Window watch



- 40% of heat can leak out of windows
- ✓ Don't let hot air leak out in winter
- ✓ Open at night in summer



# Free ways to reduce your bill now

## Use appliances wisely



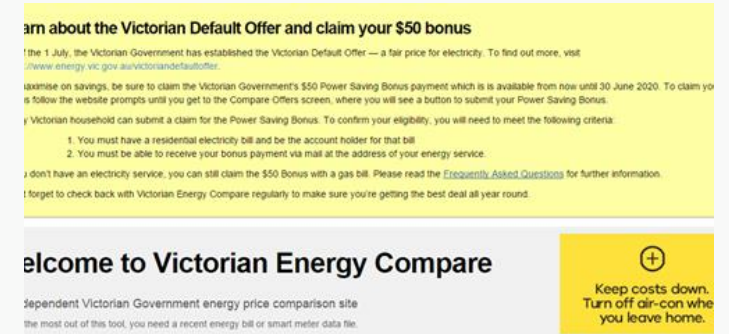
- Up to 33% of bill
- ✓ Turn off extra fridges when not needed
- ✓ Use lids on pots while cooking
- ✓ Only boil water that's needed
- ✓ Dry clothes outside

## Turn off at the wall



- Up to 10% of bill – vampire power!
- ✓ Microwave, Wi-Fi, TV, Kettle
- ✓ Anything with a standby light

## Claim your \$50 + compare!



- Victorian Energy Compare is a free, independent energy price comparison tool
- You receive \$50 just for checking if you are getting the best deal



# Free ways to reduce your bill now

Pay the way that suits you    Check your concessions



- Centrepay – set up a payment plan
- Post Office – don't shop on the way
- Bpay – set reminders!
- Direct Debit – beware of overdraw fees



- Various concessions are available in Victoria
- You must keep your concession details up to date with your energy provider

Apply for hardship



- Utility relief grants to pay for overdue energy or water bills are available to low-income Victorians experiencing unexpected hardship
- Up to \$650 for each bill (water, gas and electricity) available once every two years.



# Money Traps To Avoid



# Money Traps to Avoid: Banks

## Direct Debit

- Some utilities and companies offer discounts for payments made by direct debit, but beware of fees charged if there is insufficient funds in your account!

## Unnecessary bank fees

- All the major banks have a fee free account for customers on a low income.
- Check if you are being charged a fee on your active (or inactive) Savings Account.

## Banks make mistakes

- Check your bank statements and contact your bank if you find something wrong!

## Don't be afraid to switch banks if something isn't working for you



# Money Traps to Avoid

## Insurance

- Junk insurance
- Underinsurance
- Double ups

## Mobile phones

- Contract versus prepaid

## Unpaid Fines

- If you ignore a fine it will not go away. It will attract more fines
- Work Development Permits allow you to pay off a fine by attending certain services



“Credit buying is much like being drunk. The buzz happens immediately and gives you a lift...

The hangover comes the day after.”

**Joyce Brothers**  
Advice Columnist



# Expensive Credit

## Credit cards

- Only useful when paid off in full each month.

## Rent to Buy

- Always make the items more expensive and most of the time you don't own it once your contract is finished.

## Buy Now Pay Later

- Can be useful if used responsibly and always paid on time. Fees charged if a payment is missed and no limit on how many you can have going at once.

## Payday loans

- Payday loans, fast money, Small Amount Credit Contracts are never worth it!



# New Market

Mainstream lending is often thought of as Mortgages, Personal Loans and credit cards.

However the space is now **more crowded**, with **more products** that are **more complex**!

To name a few:

- Defer it
- Openpay
- Oxipay
- Afterpay
- Zippay
- Brighte Find and Pay
- Lombard
- Creditline
- Certegy Ezi-pay



# A Payday Loan Case Study

Amount borrowed:

**\$350**

Unavoidable fees:

**\$343.60**

Other fees:

**\$495.90**

Other Fees can include:

- Same Day Deposit Fee: \$16.00
- Priority Transfer Fee \$16.00
- Extension of 1st Payment Fee: \$20.00
- Account Keeping Fee: \$5.95
- Change of Payment Date & Amount Fee: \$20.00
- Payment Reschedule Fee: \$30.00
- Collections Phone Contact Fee: \$8.80
- Collections Tracking Fee: \$50.00
- Investigator/Hand Over Fee: \$175.00 (plus legal fees)
- 1st Dishonour Letter Fee: \$30.00
- 2nd Dishonour Letter Fee: \$50.00
- 3rd Dishonour Letter Fee: \$50.00
- Dishonored Payment Fee: \$49.00

Opening Balance	Total Payments (Credited)	Total Interest (Debited)	Total Fees (Debited)	Payout Amount
\$350.00	\$172.00	\$0.00	\$1,011.45	\$1,189.45

Date	Description	Debit	Credit	Accruing Interest	Accruing Fees	Balance
06/07/2018	Loan	\$350.00	\$0.00	\$0.00	\$0.00	\$350.00
06/07/2018	Same Day Deposit Fee	\$16.00	\$0.00	\$0.00	\$16.00	\$366.00
06/07/2018	Financial Supply Fee - 4 Payments	\$262.50	\$0.00	\$0.00	\$278.50	\$628.50
06/07/2018	Lender Fee	\$17.50	\$0.00	\$0.00	\$296.00	\$646.00
13/07/2018	Account Keeping Fee	\$5.95	\$0.00	\$0.00	\$301.95	\$651.95
18/07/2018	Payment	\$0.00	\$172.00	\$0.00	\$301.95	\$479.95
20/07/2018	Account Keeping Fee	\$5.95	\$0.00	\$0.00	\$307.90	\$485.90
27/07/2018	Account Keeping Fee	\$5.95	\$0.00	\$0.00	\$313.85	\$491.85
03/08/2018	Account Keeping Fee	\$5.95	\$0.00	\$0.00	\$319.80	\$497.80
03/08/2018	Cancellation of Fees	\$0.00	\$0.00	\$0.00	\$319.80	\$497.80
03/08/2018	Payment Reschedule Fee	\$79.00	\$0.00	\$0.00	\$398.80	\$576.80
10/08/2018	Account Keeping Fee	\$5.95	\$0.00	\$0.00	\$404.75	\$582.75
15/08/2018	1st Dishonour Letter Fee	\$30.00	\$0.00	\$0.00	\$434.75	\$612.75
15/08/2018	Dishonour Fee	\$49.00	\$0.00	\$0.00	\$483.75	\$661.75
17/08/2018	Account Keeping Fee	\$5.95	\$0.00	\$0.00	\$489.70	\$667.70
24/08/2018	Account Keeping Fee	\$5.95	\$0.00	\$0.00	\$495.65	\$673.65
26/08/2018	Change of Payment Date and Amount Fee	\$20.00	\$0.00	\$0.00	\$515.65	\$693.65
29/08/2018	2nd Dishonour Letter Fee	\$50.00	\$0.00	\$0.00	\$565.65	\$743.65
29/08/2018	Dishonour Fee	\$49.00	\$0.00	\$0.00	\$614.65	\$792.65
31/08/2018	Account Keeping Fee	\$5.95	\$0.00	\$0.00	\$620.60	\$798.60
07/09/2018	Account Keeping Fee	\$5.95	\$0.00	\$0.00	\$626.55	\$804.55
11/09/2018	3rd Dishonour Letter Fee	\$50.00	\$0.00	\$0.00	\$676.55	\$854.55
11/09/2018	Dishonour Fee	\$49.00	\$0.00	\$0.00	\$725.55	\$903.55
11/09/2018	Collections Tracking Fee	\$50.00	\$0.00	\$0.00	\$775.55	\$953.55
14/09/2018	Account Keeping Fee	\$5.95	\$0.00	\$0.00	\$781.50	\$959.50
21/09/2018	Account Keeping Fee	\$5.95	\$0.00	\$0.00	\$787.45	\$965.45
25/09/2018	Dishonour Fee	\$49.00	\$0.00	\$0.00	\$836.45	\$1,014.45
25/09/2018	Investigator/Hand Over Fee	\$175.00	\$0.00	\$0.00	\$1,011.45	\$1,189.45
	Totals	\$1,361.45	\$172.00	\$0.00	\$1,011.45	\$1,189.45
					Payout Amount	\$1,189.45

Amount owed:

**\$1189.45**



# What's the alternative to expensive credit?

- **Borrow** (library/ toy library/ friends/ neighbours)
- **Using what you have** (recycle/ upcycle)
- **Swapping or trading** (family/ friends/ neighbours/ Facebook pages)
- **Hire it** (if it works out cheaper)
- **Save for it** (set a goal)
- **Make it** (get creative)
- **Find it second hand** (online/ op shop/ garage sale)
- **What else?**



# What's the alternative to expensive credit?

**No Interest Loans  
from the people you know and trust**



**No Fees. No Charges. Ever.**

[www.nils.com.au](http://www.nils.com.au)



# What is NILS?

- Loans up to \$1,500 for household items or services
- Repayment on average \$15-\$46 per fortnight
- Repaid within 12-18 months
- Minimum ages is 16 years



## Am I eligible?

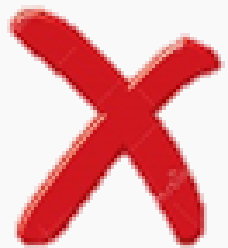
- I have a Health Care Card / Pension Card or earn less than \$45,000 (\$60,000 for couples)
- I have lived at my current or previous address for at least 3 months
- I can show that I have a capacity to repay the loan



## What can NILS be used for?



- Household items like whitegoods and furniture
- Medical procedures and dental services
- Education essentials such as computers and text books
- Car repairs or registration
- Some other items as requested



- Rent
- Bills
- Cash
- Debts



# Economic or Financial Abuse

In **family violence legislation**, economic abuse includes:

- unreasonable controlling behaviour without consent that denies a person financial autonomy
- withholding the financial support reasonably necessary to maintain a partner
- coercing a partner to relinquish control over assets
- unreasonably preventing a person from taking part in decisions over shared expenses or property
- coercing a person to claim social security payments
- preventing a person from seeking or keeping employment



[www.wire.org.au/financial-abuse](http://www.wire.org.au/financial-abuse)

1300 134 130

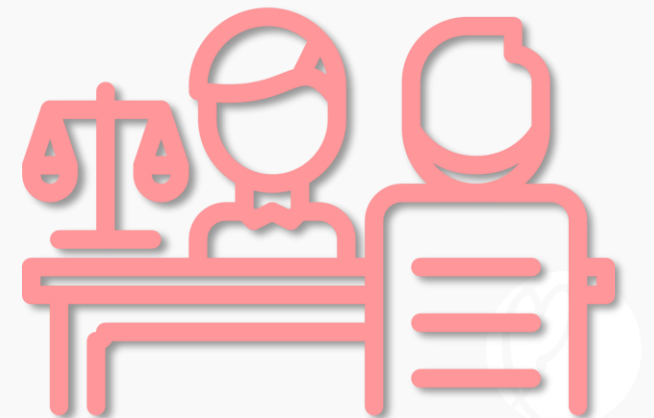


# Financial Counselling

Qualified professionals who provide information, advice and advocacy to people in financial difficulty.

What can they help with:

- understand which debts are priorities
- develop budgets and money plans
- understand the pros and cons of different options to manage financial issues
- access grants or concessions
- negotiate with creditors
- access dispute resolution services
- understand their rights and access legal help.



# Resources



Good Money stores are a community-focused initiative providing safe & affordable financial services such as No Interest Loans and financial counselling (Collingwood, Geelong, Dandenong, Morwell)

[goodmoney.com.au](http://goodmoney.com.au)



Loans of up to \$1,500 for essential goods and services such as fridges, washing machines or education expenses. Customers repay only the amount borrowed at an amount they can afford.

[nils.com.au](http://nils.com.au)



StepUP is a low fixed-interest loan for people on low incomes. Customers can borrow from \$800 – \$3,000 with up to three years to pay it back. There are no fees.

[stepuploan.org.au](http://stepuploan.org.au)



Good Shepherd's financial counsellors work with people experiencing financial difficulty to manage debts. This may include advocating to creditors such as banks or utility companies.

[goodshep.org.au/find-a-service/financial-support/financial-counselling-vic/](http://goodshep.org.au/find-a-service/financial-support/financial-counselling-vic/)



# Resources



An online resource covering financial topics including budgeting, credit and debt information, and retirement planning. Includes tools and calculators.

**[moneysmart.org.au](https://moneysmart.org.au)**



Centrelink Financial Information Service (FIS) helps people receiving Centrelink Payments make informed decisions about their finances and investment.

**[humanservices.gov.au/customer/services/financial-information-service](https://humanservices.gov.au/customer/services/financial-information-service)**



National Debt Helpline is a not-for-profit service that provide free professional financial counselling over the phone 9.30am to 4.30pm Monday to Friday on **1800 007 007**.

**[ndh.org.au](https://ndh.org.au)**



The Australian Financial Complaints Authority (AFCA) provide consumers and small businesses with fair, free and independent dispute resolution for financial complaints.

**[afca.org.au](https://afca.org.au)**



# Resources



Confidential information, counselling and support service open 24 hours to support people impacted by sexual assault, domestic or family violence and abuse.

**[1800respect.org.au](https://1800respect.org.au)**



24 hour information, support and referral from a trained mental health professional, over the phone, via email or online chat. **1300 22 4636**

**[beyondblue.org.au](https://beyondblue.org.au)**



A free online adult financial education program (developed by ANZ) made up of a series of interactive activities that are designed to improve your money management skills.

**[moneyminded.com.au](https://moneyminded.com.au)**



Essentials by AAI is contents and car insurance designed for low income earners.

**[www.essentialsbyaai.com.au](https://www.essentialsbyaai.com.au)**



## Reflect and Take Action

- Write (or draw!)
  - One tool or resource you will try at work
  - One thing you will share with a colleague
  - One action you will take in your life/ household
- Write your name and address on the envelope provided and I will post it to you as a reminder next month!





Good Shepherd  
Australia New Zealand

**Thank you**