



News

Empower Clients, don't rescue them!



Budget Advisors need to empower clients, not rescue them, said Alana Billingham, expert communicator and negotiator, who presented at CBNZ's Training Days in Christchurch and Wellington.

115 people attended these training days, held in conjunction with Kingdom Resources Ltd in Christchurch and Agape Budgeting Services Ltd in Wellington. Some participants came from far afield, including Auckland, Oamaru and

Palmerston North. They also attracted a number of people from other budget services.

Alana, Director of Media Associates, warned budget advisors that if we simply rescue clients from their current financial situation, we're only setting them up to fall into debt again. She suggested that what they really need is to learn how to prevent themselves from doing the same thing in the future.

Alana gave attendees very useful encouragement tools to help their clients become debt free including helping them to focus on realistic, achievable

financial goals. She gave us ways to help clients identify what choices would help them achieve their targets and which decisions would get in the way. Alana also explained that it takes a long time to change behaviour patterns. As budget advisors, it's essential to encourage and help motivate clients to stay on track and help them when they fall off it!

She said the road to achieving a goal is usually a rocky one for the client (and the advisor) punctuated with both joy and pain. Getting clients to recognise how good it feels to stay on track and to applaud their efforts is also very important.

Handout diagrams can be downloaded from www.kingdomresources.org.nz and click on *Downloads*.

**CBNZ conference
21 & 22 May 2011
Christchurch**

Mark it in your diary!
More details to come.

Visit: www.cbnz.org.nz

Is more income the only answer?

A big concern to me regarding many families I work with is that they often feel the solution to their problems is to increase their income. Many believe that if Dad can work more overtime or Mum can pick up some more work then their weekly budget will balance and life will return to normal. This may not always be the best option.

Life can be very busy for many people. Balancing work, family and social commitments can be a fine art. Slow rises in fuel costs, food, power over the past few years, along with potential increases in mortgage rates in the not too distant future, will again add additional pressure to an already tight family budget. These are all pressures that are outside of our control – or are they?

I believe there are three options families can consider:

1. The first is to complain but this may just add to already high stress levels!
2. The second is to increase income through more overtime or an additional job. Sadly this often also

increases family stress in spite of helping the budget!

3. The third option is to look hard at spending and look carefully where changes could be made. For some this might be creating a budget in the first place.

There must be “joy” along the way and if a budget is too tight with nothing to look forward to then balancing a budget is not the sole ingredient to a happy family relationship. However, cutting back and making choices may just be the right mixture.

I have recently worked with a client who is currently out of work and has been to borrow from the bank by increasing the mortgage.

Her first response was to pick up some part time work to make the family finances balance – and yes, this is an option.

The second choice, that she had not considered, was to trim her expenses which varied from shopping around with family insurances (and excesses), simplifying mortgage payments, planning family meals to save on food costs and a change to entertainment spending.

Nothing was cancelled, there was still “joy” along the way - and the budget was balanced. In this person’s case, she was still considering part time work but the pressure was off to find employment to top up her income and instead to look for employment that would help the family pay off debt and save money.

Simon

Simon Tierney
Jubilee Budget Advisory Service
Ltd, Invercargill

Useful Websites

- New Benefit Rates from 1 April 2010: See: www.workandincome.govt.nz/documents/benefit-rates-summary-1-april-2010.pdf
- www.insolvency.govt.nz
- See a useful handout called “Eight ways to reduce your debt” at www.kingdomresources.org.nz. Click on *Downloads*.



New Car Licensing Rates

It now costs more to put a car licence sticker on the windscreen, as prices rose on 1 July 2010!

Please make sure budget sheets and cashflows are up-

dated for all of your clients. If you haven't seen your client for a while, it might be a good excuse to go and update their budget and see how they are doing.

Vehicle Type	New Cost
Cars	
• Petrol Car	\$281.61
• Diesel Car	\$408.65
Motorbike	
• 0 - 60 cc	\$394.38
• 61 - 600 cc	\$405.63
• 600+ cc	\$517.25

Source: Land Transport Agency.

Budget 2010: Compensation Payments

The Budget 2010 announced that from 1 October 2010, changes are being made to reduce personal income tax rates, GST increases from 12.5% to 15%, and a temporary additional payment to some groups will be made to compensate for the increase in GST.

As most government assistance benefits are reviewed annually a Temporary GST payment, will be in place from 1 October 2010 until 31 March 2011 to help compensate some people who will be disadvantaged by these changes. It will be paid at 2.02% of the full rate of the following assistance types

- New Zealand Superannuation & Veteran's Pension (note that these payments will also increase as a result of the personal tax cuts).
- Main benefits, such as the Unemployment Benefit, Sickness Benefit, Invalid's Benefit and the Domestic Purposes Benefit.
- Student Allowances. Child Disability Allowance and the Foster Care Allowance, and maximum rates of Disability Allowance and Childcare Assistance will also increase by 2.02%.

Temporary GST Assistance has been carefully designed to ensure most people are no worse off because of the GST increases.



Budget Advisor Training

**Wellington
New Advisor Training
From 21 August 2010**

Contact Brian at
agape.budgeting@paradise.net.nz
04 477 300

**Christchurch
New Advisor Training
& Training Days**

Contact Paul at
paul@kingdomresources.org.nz
03 332 1700

For other areas contact
sarah@cbnz.org.nz



Attention Aucklanders!

Do you have people who need to be trained as New Budget Advisors?

CBNZ is currently trying to organise a course for New Budget Advisors in Auckland. If you are interested, please email

Sarah@cbnz.org.nz.

Helping your clients to keep warm this winter

Every year many clients find it hard, if not impossible, to pay their expensive electricity bills during the winter months. Some simply end up struggling to keep warm as they strive to keep their bill as low as possible.

To avoid paying inflated heating costs during winter, why not encourage your client to make regular payments each month and set up an automatic, or direct debit, payment system. By paying this way, they will know exactly how much is going towards electricity bills each month and there will be no nasty surprises during winter ... plus they'll keep warm.

Most electricity companies offer a 10% discount for prompt payment. Some companies discount this 10% each month, others pay a lump sum at the end of a 12 month period. Why not get your client to check this out!

We would love to see 90% of our clients being on a regular payment basis for their power.

Please encourage your client to contact their power company to make arrangements – there's no time like the present!

Calls for help via CBNZ website

“I’m about to go insolvent. Please can you help?”

“Please can you find me a Christian budget advisor in my area” ...

Over the past few months more people are asking for help through the CBNZ website. Where possible we put them in touch with a CBNZ member service in their area. Alternatively we've been able to contact other budget services across the country who have also provided help where needed.

Is your client paying too much for energy or gas?

Keeping warm, but not paying the earth for it, is essential for good health and wellbeing, especially during the winter months.

But is your client paying too much for their energy bill? They can find out by going online to www.powerswitch.org.nz - an

independent website brought to you by Consumer NZ . All they need is a bill to work from, which will help powerswitch’s programme to identify whether there is a less expensive alternative.



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