

WINTER 2011

Taking them by the hand, they helped them up... they became strong... and began to walk. Acts 3:7,8 (para).

MASKED DEBT REAPS HAVOC!

OVER \$8,000 IN DEBT AND MORTGAGE PAYMENTS IN ARREARS, JANE'S DEBT SNOWBALLED OUT OF CONTROL.

Seven years earlier it was a different story. Jane and her husband had saved long and hard to put a deposit on a house. She is now the sole provider for herself and her son and felt very alone, especially as she has no local family support. Going from two incomes to one part-time salary hit them hard.

"I didn't have any structured financial help," Jane said. "My debt started with a \$500 overdraft facility – bank fees just making it worse. I was taking money out as I needed it. I would go without food. I didn't think I was taking much out but there was never anything left over."

Finding it difficult to pay bills and put food on the table, Jane asked her bank for help. For two years they regularly increased her overdraft facility but all that did was mask the problem as she got further and further into debt.

Job and other personal concerns together caused so much stress that Jane's health also deteriorated.

"Money was a constant worry. I dreaded the phone ringing as I thought it might be the bank saying I'd got further into debt."

Fiercely independent and also unaware of all the support that she was entitled to, matters came to a head when the bank no longer agreed to further increase her overdraft. A friend at a local church first put her in contact with Kingdom Resources.

"I just know I was in a bad place at that stage of things, worried about losing the house, plus my car was playing up and the house needed repairs, plus trying to make ends meet every other way," recalls Jane. "My Budget Advisor, Chris, managed to keep me calm and take away the stress of it all. And not once was I made to feel I had made bad decisions. Instead Chris guided me through the next months to a place where I could keep my head above water and see a light at the end of this very long tunnel....."

"My budget for food was just \$40. We lived on bread, soup and potatoes. It was hard, but I did it because I had to. I didn't want to lose the house," said Jane. "Chris also helped me apply for food grants. I didn't expect people who were working to be able to apply for that. She's been so encouraging. She phoned IRD on my behalf as my tax code was wrong and also liaised with my bank"

Together, Chris and Jane worked out a very tight budget – it just had an excess of 51c per week! She was also able to access a 3 year term interest free loan from The Kingdom Resources Trust which settled the overdraft and helped to pay towards a car so that she could get to work.

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MASKED DEBT REAPS HAVOC!

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Another great source of help for Jane was a local community church group who 'adopted' her, as one of their members knew of Jane's predicament. The group put in a boxed vegetable garden so she could have low cost, healthy vegetables at hand, which she is really enjoying and maintaining well.

"The home group has been amazing," she said. "It's like we're family. With them and Kingdom Resources, I've got my faith back in human beings."

She also has new found confidence in herself, as she has just attained a new qualification through her work which she really pushed herself to achieve.

One of the benefits of her budgeting plan is what she calls her 'emergency fund'. "It stops me worrying and lowers my stress levels if anything happens and I need the money for travel or hospital care," said Jane.

Over the past few years, Jane has really turned her finances around. It has been a challenge but she's relieved to know when she will be out of debt and can start thinking of new opportunities for her and her family. Jane's recommendation to people in similar situations: "Don't sit back and dwell on things. Phone Kingdom Resources for help!"

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HALF OF US DON'T WANT ANY MORE DEBT!

Over half of all New Zealanders don't want to take on any more consumer debt, according to a recent survey. Commissioned by sorted.org.nz this year, the Nielsen survey also found that one in four of us would manage our debt differently over the next 12 months. These steps would include spending less, increasing payments to credit cards, paying off high interest debt more quickly and, for a few of us, cutting up our credit cards.



"High-interest debt that could otherwise be avoided is dumb debt, and it's always going to have a negative impact on your financial well-being. New Zealanders seem to be waking up to that now," said Sorted spokesperson, David Kneebone.

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It's hard to save up for things, including bill payments, in our current environment, but clients who manage to save, even very small amounts, see its benefit."

If you're worried about debt, or know someone who is, please phone us on 332 1700. Our clients often say the hardest thing they ever had to do was to pick up the phone and ask for help! Call us today!

While it's encouraging that one in four will manage their debt differently, the survey shows that the other half of us aren't going to review our debt at all.

"It makes no sense to suffer high interest rates and we advise our clients to repay these debts as quickly as possible," said Kingdom Resources Manager, John Exton.

"Fifty years ago getting credit for something was difficult and most people tried hard to save up for things first instead. Today, getting credit is in contrast very easy. Daily we speak to clients with out of control debt. Many are shocked when they see on paper how much they've borrowed and how much more they really need to pay back.

"It makes no sense to suffer high interest rates and we advise our clients to repay these debts as quickly as possible,"

\$2,000 on your credit card?

If you pay \$40 a month it will take you 9 years to repay.

You'd have paid the credit card company over \$4,300 for the privilege – that's twice as much as your original debt!

(Go to the calculator at www.sorted.org.nz to work it out for yourself using 19.5% interest)

If you only pay the minimum repayment of 2% or \$5 per month, which ever is the greatest, it would take you over 56 years to repay!

(As per Kingdom Resources' calculations using 19.5% interest but excluding annual card fees)



"I'VE GOT A JOB!"

"I've got a job!," reported a record number of Kingdom Resources' clients between March and July this year. That's 52 people Kingdom Resources have helped to get a job over that period. All this in a city that is still reeling from many business closures and job losses - and more aftershocks!

"It's awesome that we've been able to help so many people," said Tony, Employment Team Leader. "We've tapped into what many people in our community want and where appropriate have changed our traditional employment programmes and services to meet today's immediate needs."

Offering a quick turnaround CV is a new service being offered at the moment. "Some people who have just lost jobs may not have had to write a CV for years," said Tony. "By offering a quick turnaround CV, when they leave our office they're already equipped with a powerful tool to apply for a new job immediately." From March to July, 68 clients have already taken up this offer.

"We ran a seminar for men at the Shirley branch of Work and Income in November. It was a shortened version of our Men@Work employment programme. For some, a seminar is enough to get them started on the job path, while others choose to come to us for one-to-one employment counselling afterwards," reported Tony.

Need depends on many factors. Tony explained that he's noticed a general marked difference in client needs depending on where they live and also their gender.

"Our women only Taking the First Step employment programme has attracted many clients since February. Typically we have between 10 and 15 attendees but our most recent course had 21 registered on it!," said Tony. "Men in contrast are preferring one-to-one employment service or a shortened seminar."

He added that the quick turnaround CV is very popular especially for those living in the north and south of the city, while many of those in the east are understandably still in "recovery" mode as the earthquakes continue.

"We are really pleased to be able to adapt our services to meet the needs of as many people as possible," said Tony. "We are thrilled when clients are able to move forward whether it's helping them prepare for their next step in life, going into training or obtaining a new job. We're here to help."

Call Tony or Barb on 332 1700 if you would like help with any employment need NOW or email kr@kingdomresources.org.nz

Call today on 332 1700 for a quick CV!

We acknowledge with grateful thanks the huge contribution of the following supporters:

- Christchurch City Council - Major Grants • Community Organisation Grants Scheme (COGS) • Croft Print • Dove Charitable Trust • Family and Community Services (FACS) • Farina Thompson Trust • Goahead Networks • Hyman Marks Trust
- Jack & Marjorie Ferrier Charitable Trust • Maurice Carter Charitable Trust • Ministry of Social Development (MSD) • New Zealand Lottery Grants Board • New Zealand Post • Possibilities Foundation • Pub Charity • Springhill/Frimley Foundation
- The Canterbury Community Trust • The Lion Foundation • The Timothy Blair Trust • The Southern Trust • The William Toomey Charitable Trust • Tindall Foundation • Vouchers for Volunteers - BP



PLEASE READ ME,
THEN PASS ME ON.



Sky High Interest Rates with Txt Loans!

It's now possible to apply for a loan for up to \$600 by texting and emails. Ferratum New Zealand offers short term loans of up to \$600. Repayment terms are between 7 and 45 days and interest rates are very high.

For example if someone takes out a loan for \$200 they would have had to pay back \$312 at the end of 30 days. By Kingdom Resources' calculations, interest and charges equate to 680%!

"At Kingdom Resources we are very concerned that borrowing money has become so easy! Not everyone has the ability to

withstand such temptation – for many it's potentially just a fast and slippery slope into a cycle of debt and poverty," said John, Kingdom Resources' manager.

"Lenders surely have a responsibility to ensure that borrowers are able to pay back a loan. While a borrower's credit rating is checked, the borrowers real ability to repay is not tested – most will already be servicing other debt," said John. "Anyone borrowing money must do their homework first and make sure they can keep to the repayment terms. Borrowing \$200 and having to pay back more than 150% in such a short period of time, really doesn't make any sense."

A spokesperson from Ferratum reported that many potential customers are turned down due to having an unacceptable credit rating.

A client's perceived need for such loans often points to isolation and separation – they have nowhere else to turn. This contrasts to those who would find it quite easy to borrow such a sum from a friend or family.

"It's really sad to see that there are many people desperate enough for money to borrow it at such high interest rates, when it's likely that these are the very people who can ill afford to repay them," said John. "These high interests rates must be stopped. The Minister of Consumer Affairs, Simon Power, is hosting a Summit in August to discuss the gaps in our current system that allows high interest rates on loans."

**Do you need help with your finances or know someone who does?
Call 332 1700 or email kr@kingdomresources.org.nz**

Could you make a Difference?

Help someone to get out of debt in 2011.

Training for new Budget Advisors commences in October, Kingdom Resources Office.

Call Paul on 03 332 1700 ext 703 or email paul@kingdomresources.org.nz for more details.

TRAINING FOR 2011

Kingdom Resources runs many courses that may help you learn new skills.

Beat the Budget Blues

Budgeting Workshops. Free.

Next courses: August

St Albans & Shirley areas

Contact office to confirm dates.

Men @ Work

Employment course for men. Free.

Next course: September

(3 days per week for 3 weeks) at Kingdom Resources' Office in Addington Mall.

Contact office to confirm dates.

Taking the First Step

Our women-only employment course. Free.

Next course: 10th August

(2 days per week for 4 weeks) at Kingdom Resources' Office in Addington Mall).

Phone 03 332 1700 for more information.

**Course information correct at time of publication.*

WHO ARE KINGDOM RESOURCES?

Kingdom Resources has 23 years of experience in helping people. We do this by offering practical help with employment and money matters. Our motivation is Christian – Christianity with its sleeves rolled up.

We believe God cares deeply for us individually.

Our response is to pass that love on by assisting those in need.

CONTACT DETAILS

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Kingdom Resources

