



Wherever you look in the news at the moment there are stories about money: the difficulties of obtaining credit, increase in house repossession, the government bolstering up the mortgage lenders and the abolition of the 10% tax band are good examples. Among these I was heartened to see an article saying that consumers are using more cash instead of credit to buy things as this limits their spending to the money they have. Suddenly the good practices we talk about with our clients have become fashionable again. The good principles we advocate may require re-evaluating what you buy and sometimes saying no to things you want, but when the price of food rises by 15% in a year it is a real relief to know how to do this. Our client story this month shows how having a budget is the start of controlling your money.

Budgeting is one of the skills we teach on the Money Secret course and we recently had a reunion for our first Money Secret course, 6 months after it finished, to see how everyone had got on with the new things they had learnt. The feedback we got was tremendous. For some of them the course had literally changed their lives. For some of the couples money had been a major stress in their relationship, and you could see the difference the course had made. A major part of this was budgeting and deciding how much money could be spent and who could spend it.

Credit Action statistics from May 08 state 25% of us Brits have no idea how much we spend in a week. Here at Worcester CASH we value your support as we help people who have come to the end of this road, so thank you for your prayers, your financial gifts, and your support.
Frances Anderson

THE WAY FORWARD. Karenza writes about a recent client, who is typical of the clients we see at Worcester CASH.



Mr B came to see us with his son and his support worker.

Mr B was forced to give up work 4 years ago due to ill health. He now receives disability and sickness benefits and a pension. His son works part-time and is his carer. Between them, Mr B and his son had been managing to keep paying the important things - the mortgage and utility bill were all up to date.

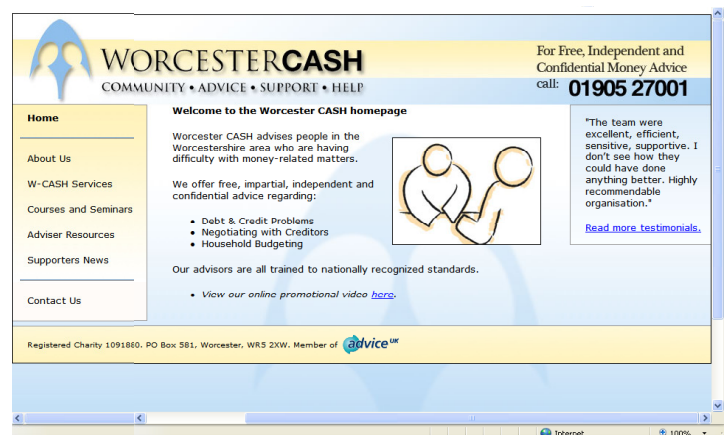
However Mr B owed around £5,000 on various credit cards and was overdrawn at the bank. He was unable to afford even the minimum repayment figures on the cards and had come to us for advice as to what to do next. We drew up a budget with him. This showed that even though he could not afford to pay the amounts his card providers were asking for, he did have a reasonable amount left at the end of the month to offer towards repayment of his debts.

We contacted his creditors for him and explained that he had come to us for help. They provided up to date balances and in most cases agreed to give us time to help him formulate a plan. We advised Mr B to open a new, basic bank account and to have his income and direct debits transferred to this account. This will give him a fresh start on his new budget and the nature of the account means he cannot go overdrawn.

We then referred Mr B to Payplan, which offers free repayment plans. Mr B will be able to make one monthly payment to Payplan for distribution amongst his creditors in the agreed proportions and in a few years he will be free of debt.
Karenza Chui

NEWS and PRAYER POINTS

Worcester CASH Website and Video



Take a look at our new website which includes the graphics in this newsletter: www.worcestercash.org.uk

Many thanks to Steve O'Rourke for creating our website. Steve is a final year student at Worcester University, and has also produced an excellent promotional video for us.

Please pray as we plan to visit local churches and organisations with this video, that we will present the work of Worcester CASH well and that more people will be called to help support Worcester CASH.

PEOPLE MOVES.....

It is with great appreciation that we say goodbye to of 3 of our workers:

Philip has been our administrator for a number of years and as such has been an invaluable support to both the money advisers and the trustees. His contribution to the running of the office through his organisational skills, filing and office management will be sorely missed. He has kept us all on our toes and ensured that things around the office run smoothly, prompting us when things have needed to be done. We especially pray for God's blessing on the new area of service that he has undertaken as Church Warden for All Saints' Church.

Karenza has worked as a voluntary money adviser and her expertise and skill in this area has been a tremendous asset to the work of the organisation. I know that Pete in particular will miss the thoughtful discussions and the ability to share with her. Her gentle, caring and considerate approach used with clients will also be missed. We pray especially for her and her family as she emigrates to Canada, that the move will go smoothly and that God will richly bless their time in that place.

Helen has been on the Trustees for only a relatively short time, but her contributions have been influential in guiding us to recent decisions in taking the organisation forward. Her experience in working in the voluntary sector informed the discussions in many trustees' meetings and her input will be greatly missed. We know that God has guided her decision to step down, taking her into a greater commitment in another area of service for Him and we pray that this work will be fruitful.

We give grateful thanks for the time, effort and commitment of all 3 of these people in their work for Worcester CASH.
Melanie Shoemith

Our volunteers provide very important services at Worcester CASH and with the departure of some key workers we are looking for new volunteers to help us go forward.

There are a number of different roles we are looking to fill. These include working with clients giving advice, helping clients set up and keep to a budget, keeping supporters up to date, and working on the administrative side. Full training will be given where appropriate. Also we are looking to increase funding to pay for one more money adviser, as we need trained and experienced people in this role.

If you, or anyone you know, would like to join our happy team in this work of grace, please contact us.

BLACK PEAR CREDIT UNION

Did you know that Worcester has a credit union? Do you even know what a credit union is? Most people don't, but they are very useful to those whose circumstances mean they can't get credit through the high street banks. Pete and I visited the Black Pear Credit Union in Lowesmoor to help forge some better links and to explore how their services can help our clients.

For many of our clients who can't get credit, coping when they need to borrow money for essentials is a real problem. What do they do when a washing machine breaks down? Well, they can get it repaired, but this also costs money. They can travel to a laundrette (if there is one), use a friend's (hopefully this won't affect the friendship), or borrow from doorstep lenders. Doorstep lending is legal and agents are normally friendly and pleasant. They will lend you money to replace your washing machine and come round your house each week to collect repayments. Only they sting you on the interest they charge. On our visit to the Black Pear they quoted the most recent rate for a major lender as 183% APR. Compare this to the Credit Union rate of 12.7% and for a £200 washing machine paid back over 1 year you pay an extra £70. And of course, once started, you keep on borrowing from doorstep lenders and their agents turn up regularly expecting money.



We strongly advise our clients to use Credit Union facilities instead. Credit Unions usually require you to save before you can borrow - this is to prove that you can afford the repayments. You normally have to save

the amount you will pay back monthly for say a couple of months before they will lend you the money. They generally lend small amounts for important purchases to people who can't get credit elsewhere. Once you have a good history with them, they will lend more. The amount of interest they charge is restricted by law, and if they happen to make a profit (not most years) all savers will get a dividend.

The Black Pear is a medium size for a credit union, and like Worcester CASH has a large number of volunteer helpers. These are mostly people who have used their services to help them, and have often been in difficult financial circumstances themselves and so know how valuable their services are. As an alternative to doorstep lenders they offer a real solution.

Frances Anderson

We would like to thank all our supporters for their prayers and donations. It is your continued generosity that makes this vital work possible.