FINANCIAL MANAGEMENT

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• Being in Debt
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FINANCIAL MANAGEMENT

FINANCIAL ASSISTANCE AVAILABLE

Many Carers do not apply for financial assistance because they are unsure who to contact or are put off by the procedures. Don't feel ashamed or embarrassed about asking for assistance. If you do not, you and the person you care for could lose out on money specifically allocated by government for helping people who are ill, have a disability or who are frail.

A good starting point for assistance and information on Rights and Entitlements is your local Family Carers Ireland Resource Centre. Please see details of your local centre at the back of this book.

TAKE CONTROL

Many of us are so busy with our everyday lives that we give little or no attention to planning our finances. It is very important to take control of our finances. The following are steps to help control your finances.
MAKE A BUDGET

A budget is a simple way to make sure that the demands you place on your income can be met. There are some simple things to bear in mind when you start to look at your income and spending:

- List all the income into your house
- List all the bills you have to pay
- If you are paid weekly, budget for the week. If it is monthly, budget for the month.
- Count all spending even bills that occur only occasionally or once a year. Include the costs of special occasions in your budget e.g. Christmas, Birthdays
- A once off unexpected expense can blow a budget plan apart therefore it is advisable where possible to have an emergency fund to meet these unforeseen costs.

REDUCE YOUR OUTGOINGS

Try to identify areas of your spending that you could possibly cut back on.

With your budget in front of you see if the following plan might help:

- Put a mark against payments that cannot be changed e.g. your rent
- Look at bills or payments that could be reduced e.g. electricity, gas, telephone.
- You may be able to negotiate lower mortgage payments
- Consider how you might budget for weekly essential items such as groceries, clothing etc.

Look at items such as entertainment, although it might make sense to have total cutback here it is necessary to leave room for a social life for you and your family.

Being in debt can be:

- A difficult place to be.
- A lonely place to be.
- And it can be a desperate place to be.
Debt problems are more often than not solved with time and effort. You have probably taken the most important and difficult step in recognising that you might have a money problem. Your money difficulties can have arisen for various reasons.

**The most common reasons for Carers are:**
- Changes in life’s circumstances.
- Illness of loved one.
- Having to leave employment to provide full time care.

**Other reasons may include:**
- Relationship breakdown.
- A drop in income.
- Increased expenditure.
- Just not enough to go around.

**List and Evaluate Your Debts**
- Take a look at what debts you need to give immediate attention to because of the serious consequences attached like losing your home (Priority Debts).
- Highlight the debts where legal action has already taken place. Mark the ones where legal action is pending. These debts need your immediate attention as the consequence of ignoring them could be severe.
- Have you arrears on electricity, gas or phone bills. If they are not attended to you will be disconnected. Credit agreements not secured on your property which are in arrears could mean you receiving a court summons or goods being repossessed.

It is very important that you, without delay, make contact with those to whom you owe money in order to explain your financial situation. You can do this in person, by phone or by letter. Our advice is to make contact by letter. Do remember to keep a copy.
WHAT ARE YOUR PRIORITY DEBTS?

Some debts are more important than others. Important debts such as mortgage arrears, rent arrears, fines and maintenance payments are called priority debts.

They are called this because:

• Your home may be at risk
• You may be evicted
• Your electricity, gas or telephone may be disconnected
• Your failure to pay a fine or a civil debt may result in a prison sentence
• Your car or goods on hire purchase could be repossessed

WHAT ARE YOUR SECONDARY DEBTS?

These are debts where money has been loaned to you without you having to provide any security. These include lots of different types of debts where the creditor hasn't got extra powers e.g. they cannot take your home. The most common Secondary debts include:

Examples:

• Bank Overdraft
• Catalogue
• Debts
• Credit Card Debts
• Credit Sales Agreements
• Credit Union Loans
• Personal Debts to friends and family
• Personal Loans with Finance companies

Though you can be taken to court if you have failed to keep up the agreed payments, as long as you don't ignore the problem and you respond to court documents with details of your financial circumstances, you will generally only have to pay what you can afford in line with your budget.

Who can help me?

• Money Advice and Budgeting Service (MABs)
• A Financial Advisor
• Solicitor
• Bank
• Other family members

For further information and advice go to www.mabs.ie