

If your financial position is causing you concern, here are some suggestions to help manage the tougher times (and maybe free up some extra dollars).

This document provides general information only, and is just a starting point. Check section four for a number of helpful resources, including [ndh.org.au](http://ndh.org.au) and [moneysmart.gov.au](http://moneysmart.gov.au)

## SIX IDEAS FOR MANAGING WHEN YOUR FINANCES GET TIGHT

### 1. Ask for a better deal

Some organisations charge you a higher rate simply because you never asked for a lower one—whether it's your mortgage, mobile phone bill or big-ticket purchases like white goods. You can also ask about 'bill smoothing' as a way to help manage larger expenses such as insurance and utilities.

### 2. Talk to your service providers

If you're having trouble paying your bills, talk to your service provider sooner rather than later. They can't help you resolve the situation if they're not aware of the problem.

### 3. Talk to Centrelink

With a lower income, you may qualify for financial support packages or new benefits—even if it's just in the interim.

### 4. Get help when you need it

A range of organisations specialise in providing free, independent assistance to those experiencing financial stress. Get online, make a phone call—you don't have to go it alone.

### 5. Minimise credit card use

It can be tempting to hand over the plastic when cashflow is tight, but it's still real money you're going to have to pay back—plus interest and long-term repayment headaches.

### 6. Do a budget

If you haven't taken a close look at your spending habits recently, it may be time to reassess and see if there's any room for improvement. You'll be amazed at how quickly the cost of little luxuries can build up.

## 1. ASK FOR A BETTER DEAL

A wide variety of service providers offer one price for customers who ask no questions, and a lower price for those who are prepared to ask for it.

It pays to review your policies or loan rates. Shop around—can other organisations give you a better deal? You could also try calling your current provider and asking them to do better.

If you need to shop for big-ticket items such as white goods or electronic equipment, do your homework. See what prices competitor stores are offering, and don't be afraid to ask if

they'll match or beat it. Also, ask for the price if you pay by cash—some may offer a discount.

### Could you benefit from bill smoothing?

Bigger, less frequent bills (such as gas or electricity) can be difficult to budget for as you don't always know exactly how much they'll be. Many companies offer 'bill smoothing' options, which allow you to pay your bills in regular monthly or fortnightly amounts over the course of the year.

Contact your individual providers to see if they offer bill smoothing or the option for more frequent payment intervals.

### Special schemes for utility company customers

In the case of your utility bills, you may also be able to take advantage of rebate schemes or vouchers that are offered by government or utility providers to eligible people—generally those receiving a Centrelink support payment, or holders of a Health Care or Concession Card.

Check the back of your utility bill to find out more, or contact your utility supplier directly. A financial counsellor in your local area will also be able to provide you with this information.

## 2. TALK TO YOUR SERVICE PROVIDERS

If you're having difficulty paying your bills, whether it's a phone bill or your mortgage, the first thing to do is be upfront about it and talk to your lender or service provider. They can't help you if they don't know, and it's better to ask for assistance than incur more debt by using your credit card to pay bills.

These businesses have a legal obligation to consider your request. Once you've alerted them to your situation, they may be able to look at your individual circumstances and reassess your needs or help create a repayment plan.

It's important to understand the ramifications of entering into a hardship agreement, so if you're considering this make sure you seek professional advice (see section four for details).

### Talking to your bank or lender

Reputable banks and lenders sometimes offer strategies specifically for customers experiencing difficulties with loan repayments. Depending on your circumstances (and what's available), you may qualify for one of the following:

- **A repayment holiday**, whereby your lender allows you to defer an agreed number of repayments (usually in exchange for a longer period on your loan).

## MAKE SURE THE STRATEGY IS RIGHT FOR YOU

Many of the ideas mentioned here are temporary solutions, designed to assist with short-term financial difficulties (a few weeks or months).

If you're concerned about your ongoing financial situation, it's a good idea to think seriously about meeting with a financial counsellor who can explore your longer-term options. This is often a free service (see section four for details).

- **A mortgage relief program**, through which you may be able to either defer a payment (or several payments) or temporarily reduce the amount of your repayments, in exchange for a longer period on your loan.
- **A debt consolidation package**, whereby your bank or lender can roll multiple debts into a single debt (as long as it's with a view to reducing the overall interest that you're paying each year).
- Most states and territories also provide access to **mortgage relief schemes**. These typically take the form of a grant or loan for those having trouble keeping up with their mortgage repayments. Eligibility conditions do apply, and the schemes themselves differ depending on which state or territory you're in.

### 3. TALK TO CENTRELINK

Centrelink offers a range of specific payments and services to those in need of financial assistance or experiencing financial hardship. Eligibility requirements do apply.

It's also a good idea to notify Centrelink of any changes to your income, as these changes may affect your eligibility for support payments.

For more information about how Centrelink services could help, visit [servicesaustralia.gov.au](http://servicesaustralia.gov.au)

### 4. GET HELP WHEN YOU NEED IT

Financial stress doesn't just hurt your hip pocket—it can impact everything from your relationships to your health.

#### Free online resources

There are a number of reputable websites that offer financial information, tips and tools. For example, the government's MoneySmart website is an excellent source of independent information designed to help you take control and make the most of your finances. It's packed with resources, tools and information to help you manage your debts and get your money back on track. Visit [moneysmart.gov.au](http://moneysmart.gov.au)

#### Financial counselling services

Financial counsellors offer free, independent and confidential services for anyone facing financial difficulty—great or small. These services are typically government-funded, and aim to help you develop a clear picture of your overall financial situation.

Financial counsellors can explain your options regarding your debts; assist you when it comes to dealing with organisations to whom you're in debt; and negotiate on your behalf if required.

They also have extensive links to other related service providers and agencies, such as community legal services and housing bodies.

#### National Debt Helpline

The National Debt Helpline is a not-for-profit service that helps people tackle their debt problems. Their professional financial counsellors offer a free, independent and confidential service. You can call the National Debt Helpline on 1800 007 007 from 9.30am to 4.30pm Monday to Friday.

#### Salvation Army

The Salvation Army offers a confidential MoneyCare financial counselling service in person or over the phone.

Visit [salvos.org.au](http://salvos.org.au) and search for 'MoneyCare' to find a service near you.

## 5. MINIMISE CREDIT CARD USE

Credit cards can be a tempting way to overcome shortfalls in cash. However, they come with repayment obligations of their own, often at very high interest rates.

Know exactly what you're getting into with a credit card. What is the interest rate? Is there an interest-free period on purchases, and how long is it? Is there a low-interest option you can switch to? Most of all, is the purchase you're making really worth the potential long-term repayment pain it might cause?

If you do have to use a credit card, consider the interest rate and commit to paying it off as soon as possible rather than letting the debt mount up. And be aware that cash advances have a much higher interest rate.

#### Consider consolidating—but be careful

Combining your credit card debt onto a single card in order to reduce the overall rate of interest that you pay might help. But do exercise caution, especially when it comes to a 'honeymoon rate'. This is when cards offer a very low (or zero) interest rate for the first several months, but implement a much higher interest rate once the introductory period is over. Remember the aim of consolidation is to reduce your overall interest rate—not just initially, but over the longer term.

## IT HELPS TO TALK

Money worries can have a direct and lasting impact on your health, relationships and overall wellbeing.

Don't go it alone—help is out there for you and your finances. Talk to your doctor or a trusted health professional if your financial situation is getting you down. It's okay to talk about your situation—in fact, it's often the first step towards getting things back on track.

Other valuable sources of support include:

Beyond Blue – 1300 224 636 or [beyondblue.org.au](http://beyondblue.org.au)

Lifeline – 13 11 14 or [lifeline.org.au](http://lifeline.org.au)

If your credit cards are causing you ongoing stress, it might be worth talking to a financial counsellor about strategies for eliminating their use wherever possible and paying off your credit card debt completely (see section four for details).

### Debt consolidation services—the good and the not-so-good

There are plenty of companies out there that are willing to consolidate your debts or help manage your finances, sometimes for a fee.

However, in many cases you can access professional and expert debt consolidation services free of charge through a community financial counselling service (see section four for details).

Make sure you explore the community services that are available to you locally. And before you engage anyone, check the fine print and know what you're getting into.

## 6. DO A BUDGET

Until you know exactly what you're dealing with—how much money is coming in and how much is going out—it's hard to take charge of your financial situation. Budgets can highlight areas for improvement in the way you manage your everyday finances because they give you a complete picture of your spending—from the essential to the not-so-essential.

The trick is to include absolutely everything, from car registrations to takeaway coffees. These often look like small things, but it's amazing how quickly they add up. Just cutting out one or two little luxuries can amount to substantial savings over time.

There are plenty of ways to draw up a budget, from paid and free budgeting apps to bank apps and online budgeting calculators, and of course spreadsheets. Make a start at [moneysmart.gov.au](http://moneysmart.gov.au) or look for calculators, tips and guidance or check out [choice.com.au](http://choice.com.au) for information on choosing budgeting apps.

### Cut back—but not on your insurance

When times are tough, it can be tempting to reduce your insurance. However, this is just when you may find it most difficult to deal with a written-off car or ill health without the safety net of adequate insurance cover. Insurance can offer you and your family protection from the negative (and potentially devastating) financial impact of unexpected events.

Make sure your cover is up-to-date and your level of cover is right for your circumstances. You can always try asking your insurance providers whether they can give you a better deal or offer bill smoothing; or shopping around to see if you can find better rates elsewhere.

## INSURANCE AND YOUR SUPER

Most super funds offer different types of personal insurance cover (such as death and income protection cover) as part of their overall offering to members, usually at very competitive rates. What's more, the premiums are usually paid from your super, which can be a cost and tax-effective way to boost or maintain your cover.

Get in touch with your super fund to see what types of insurance cover are available to you through your membership.



### Advice that's right for you

Good financial advice is about making the most of what you have to help achieve your goals. That's what we offer—general information, personal advice over the phone, Retire Ready meetings (often at no cost) or comprehensive personal advice (complimentary first meeting).

Find out more at [russellinvestments.com.au/advice](http://russellinvestments.com.au/advice)



### We're here to help

If you have any questions, please contact us:

- call **1800 555 667** (Monday to Friday 8.30am to 5.30pm AEST)
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