

Faith and Society Files: Life after Debt

A practical document looking at the issues of personal debt and the burden it is for millions. Offering some suggestions of how and where to go for help, together with real life stories of people's personal battles with money, this leaflet is a great starting point for churches wanting to address this issue within the church and community.



Personal debt is a burden for millions, with many more at risk if tomorrow is not as good as today. Debt and money anxiety creates fear, isolation and misery as well as damaging and destroying relationships. Those in debt are to be found throughout society, including the church.

The Need for Money Advice

Anxiety has been created by the present 'credit crunch'

- **1,000**
people made redundant every day between May and July 2014
- **£29.65**
average daily cost to raise a child from birth to age 21
- **£55,088**
average household debt (including mortgages) in August
- **£6,155**
average consumer credit debt in the UK in August 2014 (excluding mortgages)
- **£162m**
daily interest paid on personal debt in August 2014
- **1 property every 20 mins 15 secs**
is repossessed (71 per day)
- **1 person every 4 mins 51 secs**
declared bankrupt or insolvent (297 people per day)
- **£162.6bn**
Total consumer credit lending to individuals (at the end of August 2014)
- **£1,455 trillion**
Total UK outstanding personal debt (August 2014) - up from £1,429 trillion at end of August 2013) - an extra £521 per UK adult
- **£28,813**
Average owed by every UK adult (including mortgages) - 116% of average earnings
- **£2,242**
Average interest paid by each household on their total debt each year
- **6,405**
New debt problems dealt with by Citizens Advice Bureaux in England and Wales every working day over the year to June 2014
- **32.1 million**
plastic card transactions made each day in July 2014 with a total value of £1.522 billion
- Debt leads to depression, stress, anxiety, sleeplessness, misery, marriage breakdown ... and for many suicide
- We have a biblical mandate to care for and support the vulnerable, weak and those who have failed innocently and deliberately

Source: The Money Charity October 2014

The Biblical Imperative

- **Nehemiah 5: 1-19**
A classic and instructive text on the need for equity, fairness, freedom from debt, community care and personal responsibility
- **Psalms 82: 3-4**
A text which highlights God's character with respect to the vulnerable and therefore our response to such
- **Proverbs 31: 8-9**
The ongoing need for a voice for the voiceless and advocacy for those whose rights are disregarded and are therefore oppressed
- **Isaiah 58: 6-11**
The danger of spiritualising our faith without the requirements of practical action
- **Acts 2: 45**
The importance of sharing resources so that the poor are treated fairly and there is equity within the community
- **James 2: 5-7, 14-26; 5: 1-6**
Warnings concerning the deceitfulness of riches, the rich who exploit the poor and faith without actions

Information

Almost without exception, good practice is the result of good information and patient preparation; as the adage goes 'perfect preparation prevents pathetic performance'. Information with respect to money advice involves:

- A knowledge of working models
- A clear strategy for your context
- A grasp of the principles to apply
- A general knowledge of training providers and resources
- A support structure for your work including church ownership
- A realism with regard to the task
- A workable plan over the long haul
- An awareness of potential partners
- A clear understanding of the limits, responsibilities, legislative requirements and dangers involved
- A balanced assessment of the social and missional objectives
- A working knowledge of the many factors leading to debt crisis.



If someone in your church or your community had a debt problem would you know how to support them? Red2Black helps churches take biblically based and practical action by:



- raising awareness of the debt problem and a biblical perspective
- enabling preaching, prayer and small group study
- offering simple, practical action churches can take
- helping churches build sustainable systems of pastoral care

Explore the Red2Black resources for use in the congregation and for ministry in the local community.

Take a tour of www.red2black.org.uk today and start downloading free resources to use in your church.

Working Models

Inevitably there will be models beyond those outlined here but these four cover the most widely embraced responses to date:

- **Debt Advice Centre**
This is the top end of the scale and may involve paid staff as well as volunteers. Two agencies predominate in this field: **CAP (Christians Against Poverty)** have 125 centres nationally and are overtly evangelistic in their style, with a presentation of the gospel an integral part of the debt counselling process, and **CMA (Community Money Advice)** who have 75 centres nationally but no evangelical stance, preferring to leave that to church strategy. These two represent high and low cost alternatives. CAP centres may cost upwards of £20k to establish and require in the region of eighteen months to be fully functioning. Targets are important in the CAP system. CMA centres can be established relatively quickly, cost upwards of around £2-2.5k to set up and are usually manned by volunteers - making them an

attractive option for most Baptist churches. For more information see www.cap.org and www.communitymoneyadvice.com

- **Volunteer Team (x5+)**

This can be seen as a ministry to members and as a form of outreach into the community. One or a number of churches can organise a team in their locality. A growing number of churches are developing small teams of volunteers, either alone or in partnership with other churches. Team members are carefully trained as personal budget coaches to help individuals and families to prepare a realistic budget and take control of money. They offer support to both congregation and local communities around practical money management rooted in biblical principles. 'Stewardship' can provide training, advice and assistance in establishing them.

Preparation – 'How to establish and promote the service in church'

Half-day – 'Managing Money God's Way' – a biblically-based course

Whole day – 'Putting together a budget' – a very practical hands-on training course.

The course underlines the importance of church or local identity, examples being Wycombe Moneywise, Elmwood Money Guidance and Basingstoke Money Lifeline, as opposed to the 'Stewardship' brand. A small number of volunteers are trained to present the course across the country with the backing of the Stewardship Team. The emphasis is on befriending people, providing support and referring them to local specialist debt agencies if they have debt problems.

- **Individual Volunteer Personal Budget Coach**

If there is not scope for a sizeable team, Stewardship would encourage individuals to become individual personal budget coaches

and to pick up the training package as above. A personal budget coach provides assistance to individuals, partners and families in their church and community who are in debt crisis or who want to take control of their finances through good money management. This is especially relevant for people going through any life change, including getting married, going to university/college, buying their first house, starting a family, separation, bereavement etc.

Church-based volunteers are passionate about helping people to find financial freedom. Volunteers can also raise awareness of money-related issues, signpost the local sources of help and advice to congregation and community, promote the importance of money management in their local church and encourage a biblical perspective on money as God's entrusted gift and a spiritual issue.

- **Debt Campaign**

At a basic level, if the church does not want to run a centre or engage volunteers as coaches it may consider running an awareness campaign. Asking a pertinent question such as "if your neighbour has a debt problem where would they go", and allowing space for response, may

evoke an identity with the issues that provokes an interest in at least making the locality aware of the appropriate answers.

This may not feature one of the supposedly kind and generous debt consolidation agencies endorsed by a mathematical genius! However it would include pointers to those local or phone-based agencies that can be of help such as Citizens' Advice Bureaux, Consumer Credit Counselling Service or local

council services. It would also highlight the importance of being honest about debt rather than burying the bills in the recesses of the house. Every church can point to the help given by others even if it is not in a position to help itself.



Contextual Strategy

Like most things in life, one-size doesn't fit all. Debt means different levels of deprivation and misery for different people. Some levels of debt require radical surgery and drastic action; others just need a period of lifestyle reassessment and readjustment to get finances back on track. Creditors for some will be banks, for others loan sharks; the first requires delicate but persistent negotiation the second may require a quite different approach! In some areas Credit Unions can play a part in reducing debt and alleviating hardship, in other areas patient and strategic negotiation with a range of creditors is called for.

Strategy is also dependent upon human and physical resources, support structures, degree of local debt and potential partners. It is better to start within limitations and build a solid base than to aim too high and not be able to sustain the level of response. Even a low level

of commitment can be quite exhausting in a short time due to the emotional nature of debt problems; therefore honest realism is vital in outlining strategy. This is why teams, whether from a single church or a cluster of churches, are important, with the load being shared appropriately.

Principles to Apply

What may make a Christian work distinctive is the extra-value holistic approach we bring to our work. Core-values should under-gird all that we are and do, therefore the principles of love, integrity, thoroughness, professionalism, honesty, fairness, confidentiality, truth, compassion, empathy and transparency will run through our work at every level. Working relationships in the team and with respect to clients will be characterised by such and allow natural opportunities for declaring our faith – mostly without words.



CAP aims to show God's love in action by providing sustainable poverty relief through debt counselling, advice and practical help. CAP's unique 'hands on' approach empowers people to help themselves out of poverty and be released from the fear, oppression and worry generated by overwhelming debts. Vital financial and budgeting life skills are developed through our services, thus ensuring poverty relief is sustainable.

The charity operates through a growing network of centres based around the UK, all opened in partnership with a local church. Over the last thirteen years, the charity has grown from one man working from his home with a donation of £10, to a national charity with 125 centres across the country and an annual turnover of £5 million.

CAP's vision is to answer the national problem of debt in the UK by having at least one CAP centre operating in every major town and city by the year 2021.

CAP Money is a comprehensive yet simple money management course to help you get, and then stay, in control of your finances. It can be used within the church or as a community outreach tool. Through taking the course, delegates are helped and encouraged to think more about budgeting and living within their means, while also being shown a cash-based system that allows them to take control of their finances.



CAP Money is a three session, DVD-based course. For each session, there is a 30-minute presentation by John Kirkby, the Founder and International Director of CAP, and the remainder of the session is then facilitated by a Money Coach. Money Coaches are members from the church who have been trained by CAP to run the course and be on hand to help with the preparation of budgets.

Planning

Questions to consider when planning a response to debt include:

- Is this an individual's vision or a church vision?
- Is it an individual's response or a team response?
- What is the extent of local need?
- Who is already working or planning to work in this field?
- Who might be our partners?
- With whom could we network?
- What degree of support structure is required?
- What training is needed and where can we access it?
- What are the costs of start-up and sustainability?
- Where will the response be held?
- What are the financial and legal requirements externally as well as internally?
- Can we access good practice elsewhere before settling the strategy?
- Can we sustain the work over the long haul?
- Might we support others doing similar work rather than start our own?
- What is the motivation for our work?



Quidz In gives you the knowledge you need to talk with your children about money from a very early age.



Through an informal and practical six-session course, you'll learn how the world of finance works: everything from budgeting through spending and saving to looking to the future. You don't need to be a whiz at maths – this is about becoming financially aware, understanding how money works and how to get the best out of it. If you want to give children aged 8 to teens the inside track on money and finance issues, then Quidz In offers you the information you're looking for.

See www.quidzin.org.uk for details.

Sarah's Story

We were in really dreadful debt. We had no money at all and struggled to do day-to-day things such as feeding our four year old daughter, Kayleigh. We were trying to pay back more than we had coming in.



A friend introduced us to Andy Jackson from CAP Bracknell, and from that moment on everything changed – literally everything.

We were given a budget, which meant we could afford to feed Kayleigh and get her the new clothes that she needed. We could suddenly do all the things that a parent is meant to do for their child. We could eat as well, which was amazing for us because we had been living on toast.

Andy got me a place at 'Sparklers,' which is the mother and toddler group at CAP's partner church in Bracknell. I'm a very nervous person so I brought a really close friend, Carly, along with me. It was wonderful and we started going all the time. Then Carly asked me if I wanted to go to church with her and her partner, John, on Sunday. I agreed and came to an event called 'The Xmas Factor' where J. John was speaking. It really spoke out to me. During the appeal, I found myself standing up wanting to ask Jesus into my life. I was so impacted by the words and it all seemed so right. Then, at Easter, I got baptised along with Carly and John, which was fantastic!

In May, life got really hard when our son was stillborn. I was devastated, but the church never left us. Other friends in my life have come and gone, but friends from church stuck by us through thick and thin and made us see that we could actually make it through. With their help and their prayers, we have done.

Stories from Community Money Advice



working in association with
community money advice

Tragic circumstances left Mrs A with no means of paying off her £17k debts. Her best and fairest option was bankruptcy. We helped her complete the forms, secured the bankruptcy fee from AWTF, and she was 'free' from debt in twelve months. She spoke to me later and said "Do you know, for the first time in years I enjoy receiving phone calls and enjoy getting mail – knowing that they won't be bad news anymore! You did that for me!"

Richard Payne – Harpenden

Whilst looking to set up a centre in Harpenden in 2008, I was pleased to hear about CMA because I wanted to give debt advice from a Christian perspective. I also wanted to use this 'debt advice' as a tool to reach out into the community with a clear Christian message. Your model will enable many in our church and other churches to be involved in helping our/their communities.

We helped Mr W prepare a financial statement, negotiate reduced payments to all his creditors and free himself from a fee-charging debt management company. When we contacted him for a six-monthly review he said "I think I can do this myself now, you've given me the confidence and courage to stand up to these 'big boys' (his creditors) and deal with my finances myself."

Miss E – been seeing us since 2005
Single mum at 19. Extravagant lifestyle – clothes, going out, eating out, new car – all bought on credit. Came to us in desperation following a court appearance re: rent arrears. Since then has been in and out of work trying to deal with child care, ill-health, depression, being on, then off, benefits and constantly playing 'catch up'.

But recently met a new young man who is supportive. They are now engaged and have talked to us about being married at our church which suddenly led us into conversation about what we believe in; about 'the church' being the people and not the building and all sorts of other questions. They will be attending a marriage course at church and are very open to the next Alpha course.

She's still only got £1 per month to offer her three creditors – but the impact we've had on her life is massive from building up her self-confidence / esteem, to forgiveness (of herself) to marriage preparation and much else! We now have a strong relationship with each other.

Eight Things to Avoid

- Individual response without shared support
- Underestimating the emotional and mental cost
- Duplication
- Insufficient information prior to start
- Inadequate resources and planning
- Poor premises
- Un-researched referrals to web resources
- Focusing on money alone

Eight Things to Do

- Draw information from a wide range of agencies and networks
- Make sure all the church have owned and can articulate the vision
- Access good training and support structures
- Expand the work in line with resources and need
- Review progress regularly
- Update and communicate the vision consistently
- Draw on web-based 'good practice'
- Work holistically

Broadmead Money Advice Centre (BMAC), Northampton

BMAC is an outreach to the local community from Broadmead Baptist Church in Northampton. The centre opened in September 2006 with its official opening in January 2007 by our local Member of Parliament, who has been very supportive of our work. The centre is linked to Community Money Advice and the objective of the centre is to provide 'Free, face-to-face, confidential advice to everyone'.

The idea of the centre came about following a period when as a church we were considering ways that we could impact the local community. One of the members, already a qualified Debt Advisor, put the idea of a centre to the leadership and, as they say, the rest is history.

BMAC operates out of a cabin that is located in the grounds of the church. We are open one day a week, and during the course of a year usually see around 25 new clients. Currently our client base is 49 as we continue to work with clients until they are financially capable of managing their own finances - which can be a few months through to several years.

Clients can come to us for something as simple as assistance in completing an application form to access benefits, to needing us to contact creditors on their behalf and work out a repayment plan for their debts. BMAC will also support clients if they have to go to Court because of non-payment of debts. The work is very rewarding, but you do need a good support team around you if you are thinking of undertaking such a project.



We have received many testimonials from satisfied clients over the years but I would like to share the story of one of our clients, who I will call Anne:

Anne came to us due to the fact she had received an eviction notice from her landlord. The most immediate problem was to prevent the eviction and enable her to remain in the property, as she had three small children. One of our volunteers went to Court with her and managed to get the eviction postponed, on condition that she paid her current rent plus an amount towards the arrears.

Once we had dealt with that we contacted her other creditors and also looked at the family structure and income. It transpired that although one of the children was disabled Anne was not receiving any additional assistance with his living costs. She was also not claiming Child Tax Credit for any of the children so we were able to assist with this process and subsequently doubled her income on a monthly basis, which meant that she was then able to work out a manageable repayment plan for all her creditors.

On her feedback form she wrote: 'You are a lifesaver, I had nowhere to turn and you came in and helped me. You did not judge me but tackled each issue as it was presented in a positive way'.

Sandra Richardson, BMAC

If you feel that this is the way that God is leading your church, then please feel free to contact the centre on 01604 714005 (BMAC) or 01604 721144 (church office) to discuss the work further.

Useful Contacts

- **Community Money Advice**
A Christian agency providing seminars and workshops on debt advice and money management
www.communitymoneyadvice.com
enquiries@communitymoneyadvice.com
Tel: 01743 790909
- **Stewardship**
A Christian agency providing personal budget coaching, biblical principles on money and a range of money-related resources
www.stewardship.org.uk/moneyeducation@stewardship.org.uk
Tel: 020 8502 8585
- **Christians Against Poverty**
A Christian agency with an overtly evangelistic cutting-edge built into its strategy
www.capuk.org
info@capuk.org
Tel: 01274 760720
- **Care for the Family**
A national Christian charity which aims to promote strong family life and to help those hurting because of family breakdown.
www.careforthefamily.org.uk
mail@cff.org.uk
Tel: 029 2081 0800
- **Consumer Credit Counselling Service**
A secular agency with a respected reputation for debt alleviation
www.cccs.co.uk
contactus@cccs.co.uk
Tel: 0800 138 1111
- **Citizens Advice Bureaux**
Offers free, independent and confidential advice from more than 700 locations throughout the UK.
Tel: 0207 833 21 81
Website: www.adviceguide.org.uk

- **Business Debtline**
Provides a free telephone debt counselling service for self-employed and small businesses.
Tel: 0800 197 6026
Website: www.bdl.org.uk
- **Financial Services Authority**
Offers free training for those working with young people to support young people in becoming financially capable.
www.youngpeopleandmoney.co.uk
www.fsa.gov.uk
financial.capability@fsa.gov.uk
0845 606 9966

Useful Resources

God and Mammon: A guide for churches supporting people in debt

Leaflet produced by the North Western Baptist Association. Contact NWBA on 01942 221595 or email office@nwba.org.uk for details.

Life Beyond Debt: How the church can help

an initiative of the Evangelical Alliance

Booklet available to help churches to engage with the subject of money is available by emailing lifebeyonddebt@eauk.org or see www.eauk.org/lifebeyonddebt



Money Debt and Family Life leaflet

Available for download from www.careforthefamily.org.uk/pdf/supportnet/MoneyDebtAndFamilyLife.pdf

The Money Revolution by John Preston

Published by Authentic Media (2007)

RRP £3.00

ISBN: 18507 8754 9

The Money Secret by Rob Parsons

Hodder & Stoughton (2005)

RRP: £6.99

ISBN: 03408 6277 7

(plus accompanying workbook available from Care for the Family)

Save your home

Practical tips to help you avoid repossession
Care for the Family leaflet available to order
(Tel: 029 2081 0800) or download from:
www.careforthefamily.org.uk/saveyourhome

Your Money and Your Life by Keith Tondeur

Published by Triangle (1996)

RRP £6.99

ISBN: 02810 4943 2

Young People and Money by Rachel

Arulanantham

Published by Grove Books (2009)

RRP: £3.50

ISBN: 978 1 85174 734 4

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