



## Failing Forward: Good Cents skills help tackle budgeting blues.

---

**Initiative: Good Cents**

**Theme: Leading and leaderful**

**Completing a Good Cents course has had many benefits for Kay (not her real name.) A \$2,000 debt with the IRD has been cancelled; she has managed to repay outstanding debts with two loan companies that were costing her \$110 per week; and, perhaps the main benefit, she has regained confidence in herself.**

Wesley Porirua Manager, Makerita Makapelu noted that when Kay started the 8 week programme, she was by far the quietest in the group. Not, perhaps, a quality expected of a potential leader but a leader is exactly what Kay turned out to be.

Life had not been easy for Kay. Her mother died when she was 12 years old, and although her working father could sustain the family financially, Kay chose to leave home at the age of 14 to go and live with a sister. Leaving home and learning to cope on her own was a huge 'wake-up call' for Kay and she found herself struggling. A brief attempt to return to school at 15 was unsuccessful, and by the age of 16 she found herself 'on the benefit'. By 18 she was pregnant and living with another sister to make ends meet.

Sharing accommodation with others is not something that a much wiser Kay now recommends, "I won't share my home again. I like to do my own thing." Sharing accommodation back in those days often meant loaning money to help friends and family. It was perhaps during this time, that Kay developed a habit for loaning and borrowing money, without being fully aware of the consequences.

"I remember on occasions being asked by a friend for money, so I would give it to them even though I was often in debt myself," recalls Kay. However, as Kay later realized, her friends' money worries often occurred because their partners were "playing the pokies, or drinking," and Kay's loan money only served to encourage these bad habits. Kay now recognises that her priority is looking after herself and her two sons, and that loaning or borrowing money is not as easy as it seems. There are repercussions.

Over the years Kay had approached Wesley Community Action in Porirua on several occasions, either for counselling assistance, or more recently for food bank assistance. On one of these visits in 2009, she was asked if she would like to participate in the Good Cents course, and decided to take

up the opportunity.

One of the first exercises she completed on the programme was to record every item she was spending money on, for a whole week. She had never done this exercise before, and was amazed at what she learned. "It really opened my eyes. I had got into the habit of short term loans and was in debt with three different loan companies," recalls Kay. It wasn't big debt, but she was borrowing money to spend on things like video games for her oldest son. Her loans were costing her \$202 per week.

The exercise also showed her how to cut back on her unnecessary expenses, and she quickly began to pay off two of the loan companies. However it wasn't easy to turn her back on the comparative 'easy money' provided by the loan companies and, during a weak moment, she re-borrowed from one of the very companies she had just paid off.

The short term joy of having ready money again was followed by the realisation that she was back on the treadmill, struggling to pay debts. This learning was shared with others in her Good Cents group, and Kay moved quickly to repay the money she had just borrowed.

Part of Kay's Good Cents programme involved learning to communicate and to talk about the issues of debt. The focus is on participants taking greater ownership and control of their journey to improved financial stability rather than traditional models of a professional budget advisor who decodes a person's financial chaos for them. There's also a strong emphasis on understanding the underlying 'drivers' of their difficulties – these drivers are frequently bound up with social and emotional issues. These were skills Kay put to good use when debt collector BayCorp rang her demanding payment of overdue school fees for her son's education; armed with her 'good sense' skills, Kay quickly realized BayCorp were requesting weekly repayments that were well beyond her means, and negotiated a better outcome.

In the same way Kay faced up to an old debt with the Inland Revenue Department (IRD) that had been ticking away for 16 years and had now grown to a debt of over \$2,000. Negotiations with the IRD followed and eventually the debt was cancelled on hardship grounds.

Kay's leader qualities are illustrated throughout her story. She is strong in her decision making yet reflective. She can admit mistakes and do something about them. She was able to 'fail forward' (Maxwell, 2000) on her journey – staying focused on the destination even when faced with disappointing experiences. These leader qualities may not have always led her onto pathways that were straight forward but they have certainly helped her to learn from her experiences, and create new pathways for herself on several occasions. Leader qualities are also evident in how Kay talks about the Good Cents programme: what she liked about the programme was that, "while other courses tell you what to do; Good Cents helped to put me in charge of my money, so it was me making the decisions, not someone else."

In the process, Kay has found her confidence, and is clearly proud of her achievements. She has regular work in a local supermarket, her family is eating cheaper and more healthy food, and life is good. Looking ahead, her first priority is paying off the remaining loan, and beyond that she plans to save enough to take her family on holiday.

Given Kay's new found confidence and her Good Cents skills, there is little doubt she will achieve her goals.

**Intent:**

To create a space for people to create change in their financial situation in a way that is self directed, that helps to break down the barriers of isolation and the sense of being a victim to ones situation. Its' about helping the participant to realise that they are the key expert in their situation.

**Key Learnings:**

- Leader qualities can be found in many different situations and frequently where we would not think to look.
- People know and observe when they are being given an opportunity for their own empowerment and control. When they see this happening they take ownership.
- There is real strength in sharing common experience with others. It grows confidence and a sense of hopefulness. There is something about the power of being understood by another that frees a person to create something new.
- Creating change in a context of relationship enables learning from hardship and unexpected difficulties that would not be possible in isolation. People are a harsher judge of themselves than others are and encouragement is needed to move forward.

**Key Outcomes:**

- Kay experienced significant growth in confidence both in herself and in her role in supporting others – especially her extended family. She understood that she was the want to lead by example in this space.
- A new determination for Kay about being at the centre of creating change for her future. Actively working to model this for her children.
- The Good Cents course directly benefited from a relationship with Kay learning about the twists and turns of a person's journey to greater financial stability and how to facilitate, encourage and support that.

**Key Contact:**

Matt Crawshaw  
Good Cents  
Wesley Community Action Porirua  
[MCrawshaw@wesleyca.org.nz](mailto:MCrawshaw@wesleyca.org.nz)  
Ph 04 237 7923

**References:**

Maxwell, J.C (2000). *Failing Forward: How to make the most of your mistakes*. Thomas Nelson.

Story by Peter Mitchell and Denise Bijoux.

**June 2012**