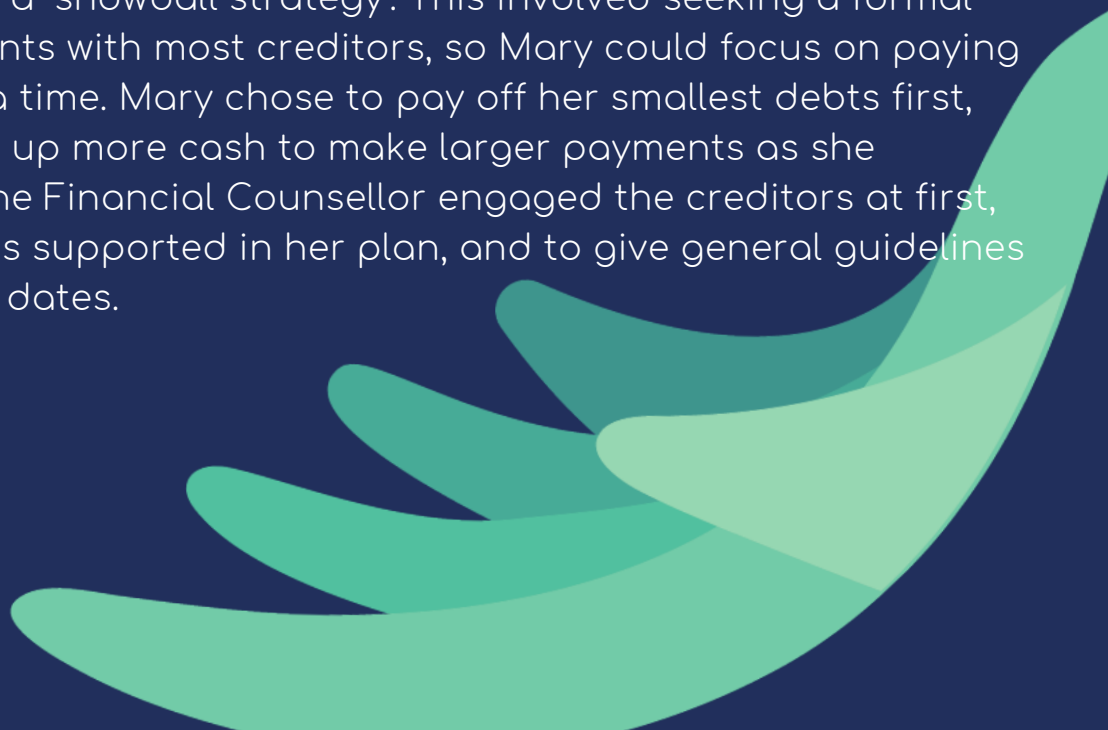


Mary, a 30 year old single mother on JobSeeker attended with 7 separate debts, most with debt collectors who were hassling her for payment. After a general chat, a budget was prepared, which helped both Mary and the financial counsellor to get a picture of the finances including irregular bills. Mary's budget shows that she was pretty skilled at managing her living costs. As is often the case, Mary is paying a lot for her mobile and internet service. There are also payments being made on some debts – those whose debt collectors had stressed her the most.

Mary and the financial counsellor prioritised the debts. Priorities are determined by Mary's personal values, the variable risk of each debt and the variable benefit that paying it off sooner may provide. For example, Mary had not bothered with her fines because she 'always had' a fine and it was quite normal to her/they didn't bother her much. A quick check found that her license was at risk of suspension, which she hadn't realised. The fines then became a higher priority to Mary.

Some of Mary's debts were small, but had higher payments. Mary managed most of these, but when she missed payments she was hit with high penalties that often undid her efforts and was very discouraging. Sometimes she missed payments just because she needed a break. Mary decided to engage in a 'snowball strategy'. This involved seeking a formal suspension of payments with most creditors, so Mary could focus on paying off her debts one at a time. Mary chose to pay off her smallest debts first, because it would free up more cash to make larger payments as she 'snowballed' along. The Financial Counsellor engaged the creditors at first, to show that Mary was supported in her plan, and to give general guidelines for planned payment dates.



Mary stuck to her plan and, over seven months, steadily cleared all of her debts. Since her budget accounted for variable bills, she slowly grew used to being able to put aside for/be able to afford them as they came, without having to cancel payment on something else. To help her succeed, she was connected with low-cost Foodbank options and other support around school and telco costs. This made her budget 'less tight', making it easier to stick to and more resilient when upsets happened. When the COVID supplement began, Mary decided to use it to build emergency savings, provide repairs for her car and get a new fridge. As Mary grew more confident, she took over speaking to creditors. When a telco bill was disputed, she brought it to the financial counsellor to double-check her assessment and find out how to 'fix it', which she then did.

Mary attended financial counselling wanting to get back on her feet and become debt-free, but couldn't see a path to achieving it. A financial counsellor helped her gather a 'map' of her surroundings, helped her work out where she wanted to go and the best route to get there, then stood back and cheered her on. Mary's journey wasn't perfect. There were a couple of unforeseen events and some stumbles from time to time, but she reviewed the plan when needed, stuck it out and got where she was going as a result.

