



WOMEN AND MONEY SPECIAL DID YOU KNOW?

- Women have significantly less money saved for their retirement - half of all women aged 45 to 59 have \$8,000 or less in their superannuation funds, compared to \$31,000 for men.
- Currently the average superannuation payout for women is a third of the payout for men - \$37,000 compared with \$110,000.
- Women are more likely to take casual or part-time jobs so they can attend to responsibilities in the home. Because the current superannuation system is linked to paid work, it overwhelmingly disadvantages women who are more likely to move in and out of paid work to care for family members.
- In Australia, women working full-time today earn 16 per cent less than men. For an average woman to match the average man's earnings in a year, she has to work an extra 14 weeks full-time. Refer www.hreoc.gov.au and www.actnow.com.au/Issues/Womens_work_and_pay.aspx

Women earn less, spend more time caring and consequently less time in the workforce, have less savings for retirement and yet are more likely to live longer in retirement!

Issues of finance have particular relevance in the present economic climate so WHGNE have produced this special edition newsletter to provide our members and friends with information about where to access financial information and assistance. We believe that increased knowledge of financial matters will empower women to manage whatever resources they have more efficiently while aiming to improve their financial situation.

A key finding of the Women's Health Goulburn North East 2006 Purposive Survey on the health status of women in the Hume Region stated "the striking finding from an examination of respondents' comments is that financial difficulty and poverty is a reality for women in our region"¹. The Office of Women's Policy (www.women.vic.gov.au) has identified that women are at a distinct disadvantage to men in regard to financial resources. This is largely the result of the way gender is constructed in our society, where women generally have primary responsibility for caring for others – children, parents, partners, neighbours. This caring role means they spend less time in the paid workforce, weaving employment in between pregnancy and care of others. These responsibilities often restrict women to part-time and casual work, particularly in our current

environment where maternity leave is not yet a national entitlement and where childcare is expensive and not always available. The short term effect is less money week to week. The medium term effect is often the lack of a career path, and the long term effect is dramatically less superannuation payments than received by men at retirement.

A joint initiative of the Australian Government Financial Literacy Foundation and Office for Women is the production of 'Women Understanding Money' Information Sheets of which there are fourteen in total. They include the following topics:

- Your relationship with money.
- Starting out.
- Managing on a low income.
- Money and the single woman.
- Managing money in your relationship.
- Having a baby?
- Teaching your kids about money.
- Your money is your business.
- Managing money when your relationship ends.
- Getting ready for retirement.
- Managing money when your partner dies.
- How to get good advice about money.
- Get to know your super.
- What does it all mean?

On the following pages we have listed the main points for some of these topics. If you are interested in ordering free copies of the above fact sheets phone the Financial Literacy Foundation on 0262632111 or email financial.literacy@treasury.gov.au

¹ P.2 Available from WHGNE.



The following resources are available free:

'Your Money - Key tips for managing your money'. Available free from The Australian Securities and Investment Commission, you can also subscribe to a free monthly newsletter. Ring 1300 300 630 or www.fido.gov.au

'Me and My Money - Practical money ideas'. Available free from Child Support Agency, ring 131 272 or order copies at www.csa.gov.au

'Understanding Money - How to make it work for you'. To order a copy ring 1800 236 253 or go to www.australia.gov.au/understandingmoney

'The little black book of Scams - a consumer guide to scams, swindles, rorts and rip offs'. Copies can be ordered by calling the ACCC Infocentre on 1300 302 502.

MANAGING ON A LOW INCOME

If you're on a low income you are already well on the way to managing your money as you already know how much is coming in and how far it goes each fortnight. This is one of the first simple steps to making the most of your money. A few other simple things done regularly can help put you in charge of your money:

- Do a budget plan and keep it up to date
- Set some goals
- Get into the savings habit

PUT YOURSELF IN CHARGE:

Government and other payments

Make sure you are receiving all the payments you are entitled to. Check with Centrelink, Family Assistance Office and Child Support Agency. There are many concessions and grants available that most people are not aware they are entitled to. Did you know that if you are a pensioner or on a limited income you may be eligible for assistance with the cost of prescription glasses? For further information call 1300 303 125 (local call). A program called 'Home Wise' run by the Department of Human Services (DHS), helps low income Victorians in hardship to replace broken down fridges and washing machines. Contact DHS Concession Unit on 1800 658 521 to find out more about this program and others you may be able to access.

Direct Debits

Think about using direct debits to pay your regular bills. Centrepay is a free direct bill-paying service offered to customers receiving payments from Centrelink. Contact Centrelink for more information about this great service. You can use BPay to make regular payments off your gas/electricity bill so that you are not hit with big bills at the end of each quarter. Also if there aren't enough funds in the account to cover a direct debit there will be bank penalties. That's why Christmas Hamper Companies are viewed by most financial counsellors to be a waste of money (better to put the same amount of money away each week into a Christmas Club Bank account where you are earning interest and able to then choose what you want to buy yourself before Christmas).

Cut your costs

Buy things in bulk where possible and shop around to get the best deals. Websites like www.cheapkates.com.au and www.simplesavings.com.au have loads of tips on how to save money.

Ask for help early

Free financial advice and planning is available through Anglicare in Wangaratta, (Thursday and Friday), and Benalla and Myrtleford (alternating Tuesdays). Please ring 0357219088 for a booking. Upper Murray Family Care also have a financial counsellor available for appointments on 0357234000.

No-Interest- Loan Schemes

Now operating in the Hume region, these schemes provide women on low incomes with flexible and affordable credit for the purchase of essential new household or personal items. Contact WHGNE - 0357223009, WADNILS- 0357219088 or St Vinnies - 0357224959 to find out if you are eligible.

For more information on 'Managing on a low income' visit www.understandingmoney.gov.au and access free information sheets on this and many crucial financial topics, or call the Financial Literacy Foundation on 026232111.

DEALING WITH DEBT

Sexually Transmitted Debt!

Sometimes called 'Relationship debt', this relates to the situation where a woman becomes liable for paying her partner or ex-partner's debts. This could be because she's signed a loan contract as a co-borrower or guarantor, has agreed to become a silent director of his company, or has signed a mortgage so he can obtain a loan.

To avoid this common problem take the following precautions:

- Make sure joint assets are purchased in both yours, and your partner's names.
- Make sure joint debts are in both names (not only yours).
- Get legal advice before guaranteeing a loan for your partner and before signing your name to a loan which will only benefit him.
- Always read documents thoroughly and seek legal advice before signing any contracts or guarantee statements.
- Don't sign anything you don't understand.

Some things you should know about 'relationship debt'

- A joint loan doesn't always mean that you're only liable for half the debt. If your partner defaults, you may be required to make all the payments as well as the interest.
- If a utility service such as electricity or gas is only in your name, then it's your responsibility to pay the bills.

Credit Card Debt

Credit cards are probably the easiest way to 'buy now and pay later'. They're also relatively easy to obtain, and very easy to overuse, especially if you look at credit card limits as giving you money to spend, instead of more money to be repaid. If you don't pay off the full amount outstanding before the interest starts accruing, these cards can be a very expensive form of credit. And if you get a cash advance on a credit card, the interest starts from the day the advance is taken. Ask yourself these questions:

- Do you only ever pay off the minimum balance on your credit cards?
- Do you need to use your credit card to pay for essential items like food, telephone, gas, electricity, rent or mortgage repayments?
- Do you use more than one credit card?
- Do you use cash advances on one credit card to pay off others?

If you answered 'yes' to these questions, you could be in danger of accumulating debts you'll find hard to repay. You may find it helpful to talk to a financial counsellor. For more information on credit call Consumer Affairs Victoria-Credit Advice Line - 1300 55 81 81 (local call). They can also send you a great little book called 'Ten things you should know about credit'.

What should I do if my debts become overwhelming?

Financial counsellors and debt counselling services are located throughout Victoria and offer free and confidential advice to people in debt. They can provide practical assistance like drawing up a budget or personal money plan. They can also talk to creditors on your behalf and make sure you are receiving the Centrelink payments you're entitled to. The ultimate aim of a financial counsellor is to enable you to gain the knowledge and power you need to manage your own financial affairs. They can explain where you stand legally, what creditors can and cannot do, how to rearrange your debt repayments, explain how bankruptcy works and, if necessary, put you in touch with legal advisers or legal aid.

Where to go for free financial advice:

Centrelink's Financial Information service is available to everyone and you don't need to be a Centrelink client. Phone 13 23 00 for information and appointments, or visit www.centrelink.gov.au

Financial counsellors provide free information to people in financial difficulty. In Wangaratta contact Upper Murray Family Care on 0357234000 or Anglicare on 0357219088. Across the Hume region visit Australian Financial Counselling and Credit Reform Association website at www.afccra.org or look up 'Community Advisory Services' in the yellow pages. To check that the person you are dealing with has a current Australian Financial Services Licence, visit the Australian Securities and Investments Commission website- www.fido.gov.au or phone 1300 300 630. 'Good advice is money well spent' and 'How to choose a financial planner' are both available free from the Financial Planning Association of Australia at www.goodadvice.com.au 'Getting advice' is a free booklet available from ASIC at www.fido.gov.au



'Dealing with Debt: Your rights and responsibilities' is a free booklet available from ASIC by phoning 1300 300 630.

The Australian Competition and Consumer Commission (ACCC) is the general consumer protection regulator.

If your debt relates to goods and services generally, other than financial services (e.g. phone or utility bills and debts to tradespeople or service providers) contact the ACCC.

Web: www.accc.gov.au

ACCC Infocentre: 1300 302 502

The Australian Securities and Investments Commission (ASIC) is the financial services regulator. If your debt relates to a loan or a credit card (or another financial service), contact ASIC.

Web: www.fido.gov.au

ASIC infoline: 1300 300 630

MANAGING MONEY WHEN YOUR RELATIONSHIP ENDS

The end of a relationship can be an emotional time and organising your finances might be the last thing you feel like doing. But by starting with a few simple steps your confidence will grow and you'll develop the skills to tackle the bigger money issues. Before you can make a start at organizing your finances without your partner, there are a few important things you should do.

- Make sure you have your own account that your former partner can't access.
- List all your assets and any joint debts or debts in your name
- Write down the date of your separation
- Seek legal advice about
 - Freezing any joint accounts
 - Property held in your own or your partner's name, or in joint names.

Adjusting to a change of income

The most important step when adjusting to a change in income is to know where your money comes from and where it goes. Here are a few simple suggestions to help you get started.

- Get your financial information together - if you're not used to managing your finances, getting all your information together can help shed some light on your financial position.
- Do a budget and keep it up to date - start by writing down all of your income and expenses. Then take a look at what's essential and what you might be able to spend less on. Little things can have big pay offs, so try to save a few extra dollars each week.

Your will

Now is also a good time to update your will to reflect the changes in your life. Sorting out your plans now will give you peace of mind. You might also include information about appointing an executor. The executor of the will is responsible for distributing your assets, but if you die without a will, your assets will be distributed by the public trustee in your state or territory and they may not be distributed in the way you would have liked. The best way to avoid this is to make a will.

Splitting Super

Managing money when your relationship ends is about planning for the future as well as dealing with day-to-day issues and this is where superannuation fits in. It's important to consider your super entitlements and seek legal advice about the division of super and any tax implications.

Super and You

It might be a good idea to use this opportunity to reassess your own super. Even if retirement is a long way off, there are a few simple things you can do now to make the most of your super.

- Know your super entitlements - visit www.ato.gov.au/super for the essentials on super.
- Tax file number - make sure your super fund has yours so that you don't pay extra tax on your contributions.
- Lost track of your super? - If you've worked in several jobs you may have lost track of your super accounts. Do a *SuperSeeker* search at www.ato.gov.au/superseeker or phone 13 28 65.
- More than one account? - If you've got more than one super fund think about combining them. You don't want your money to be lost in fees and charges, and combining the money can make it easier to manage. But make sure you consider any fees that funds may charge if you move accounts. You should also check whether you will lose life insurance or other benefits if you combine your accounts in a new fund.
- Read and understand your statements - super funds often have an explanation of all the sections on your statement, so check this out.
- Personal contributions - while it can be difficult adjusting to a change in income following a separation or divorce, think about making extra contributions to your super if you can. Even small contributions can make a big difference over the long term if you start early.

Superannuation information, including fact sheets and calculators, is available from these organizations:

- Australian Taxation Office - www.ato.gov.au/super or phone 13 10 20.
- Investment and Financial Services Association - www.ifsa.com.au or phone 02 9299 3022 - has a free booklet *Smarter Super*, produced with the FPA and the Australian Bankers' Association.
- Association of Superannuation Funds of Australia - www.asfa.asn.au or phone - 02 9264 9300

Children

If you and your partner are separating and you have children, you will need to agree on arrangements for their care and support. The Child Support Agency (CSA) can help explain your child support options and has a range of self-help tools, including *'Me and my Money: Practical money ideas*, a booklet to assist separated parents to manage their money'. For further information visit www.csa.gov.au or phone 131 272.

For more information on Super:

- 'Super - what you need to know' booklet available for free from Australian Taxation Office (ATO) Publications Ordering service on 1300 720 092.
- To speak to a Tax Officer about your super contact ATO Super Enquiries Line- 13 10 20
- Visit www.ato.gov.au
- Visit www.ofw.facsia.gov.au