



Department of Social and Family Affairs

Minister Says Money Advice & Budgeting Service To Be Strengthened & Enhanced To Meet Modern Debt Problems

"Increase In Easier Access To Credit Now Causing Serious Modern Debt Problems"—Seamus Brennan

The Minister for Social Affairs, Seamus Brennan T.D., announced today that legislation will shortly be introduced to strengthen and streamline the Money Advice and Budgeting Service (MABS) which provides a free, confidential and independent service countrywide through a network of offices for people in debt or in danger of debt.

Minister Brennan signalled that the proposed new structure, combining a continuation of valued local voluntary involvement and professional advice with national leadership set on a statutory basis, would be designed and shaped to best respond to the stresses of modern debt on, in particular, low income earners.

Minister Brennan was speaking in Dundrum today where he performed the official opening of the new premises of Dundrum/Rathfarnham MABS. The Dundrum/Rathfarnham and District Money Advice and Budgeting Service was established in 1998 to provide a money advice service for an area with a population of 157,000 approximately extending from Mount Merrion, through Dundrum, Stepside, Rathfarnham, Templeogue and Knocklyon.

Minister Brennan said that over the past 13 years MABS had developed into a valuable nationwide advice and support service that had assisted thousands of people to regain control of their finances and, in time of need, to gain access to affordable credit. Last year alone almost 27,000 people nationwide used the MABS service, compared with less than 18,000 four years earlier. The most recent statistics show that, since 2005, more than 16,000 new customers have approached the independent and confidential advice service.

"Indeed, the client numbers using the services of Dundrum/Rathfarnham and District MABS have increased in recent years with the numbers increasing from about 230 in 2003 to more than 300 in 2004 and 2005 respectively. Funding of the entire MABS service by the Department of Social Affairs has more than doubled in the past four



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years to over €16 million in 2006. In the Dundrum/Rathfarnham funding has increased from EUR130,500 in 2002 to just over EUR270,000 this year.”

Minister Brennan said: “It has always been envisaged that MABS would be shaped by the needs of local communities and work in partnership with local voluntary and statutory organisations. Local knowledge is invaluable to the MABS service and I want to see this continued. But I also see the need for a more streamlined national structure with a central leadership. In order to ensure the best value for the €16 million of taxpayers money invested each year, and to build a coordinated budgeting and advice service that has all the supports needed to meet the demands of modern debt problems, MABS needs modernisation and innovation, solidly founded on a modern and streamlined structure, to be geared to meet the rapidly changing face of debt problems in 21st century Ireland. I believe that we can use everything that we already have in MABS and build on it to shape and deliver an enhanced service and structure. The challenge for the future is to develop a strategy to prevent overindebtedness and inform people before they reach crisis point, as well as continuing to meet the needs of those who find themselves in immediate financial difficulties.

Minister Brennan said more and more people are recognising the value of the service MABS offers. As it is free, independent and confidential, it is very reassuring to an indebted person that they can reveal the most intimate details of their financial affairs to a money adviser in complete confidence.

Minister Brennan said: "This Government is keen to get more quality information on the nature and trends of the debt encountered as well as the categories of people using the MABS so as to better inform policy around over-indebtedness and also allow the MABS to be even more responsive to its clients' needs. In this regard, I am pleased with the introduction of a new software application (MABSIS) which has been developed for the specific use of MABS which will in time provide detailed statistics on the nature of the debt incurred, indicating trends and the categories of clients accessing the service. It will unquestionably be a most important facility and, as well as easing the administrative burden on staff, it will provide very useful data around indebtedness which will in turn inform development of policy around money advice and budgeting.

“The nature of debt is varied and can range from small loans to difficulties with utilities bills such as electricity, gas and telephone bills, credit card debt, mortgage or rent arrears or indeed debt around life events such as First Communions, bereavements and



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weddings. The increase in the availability of credit to the public is emerging as another significant factor in the continuing rise in the numbers seeking help from MABS. The service is reaching out to people in debt, or in danger of sliding into debt, and helping them to regain control of their finances and budgets for the future".

The Minister also released figures (detailed below) showing that over quarter of a million people in Co. Dublin benefit each week from social welfare supports and entitlements. In addition, Child Benefit is paid in respect of 273,496 children to 147,187 families in the Dublin area.

Approximate Numbers Benefiting In The Dublin Area Are:

Unemployment Payments:	39,933
Old Age Pensions:	40,318
Retirement Pension:	30,291
Pre-Retirement Pension:	2,411
Disability Benefit/Allowance:	36,045
Widow's & Widower's Pensions:	30,507
One-Parent Family Payment:	32,638
Supplementary Welfare Allowance:	10,406
Carer's Benefit/Allowance:	3,908
<u>Total benefiting in Co Dublin:</u>	<u>226,457</u>

ENDS

For further information:

Oonagh Duffy, 087-2549683

Carmel Fields, 087-2547232