



NEWS RELEASE

19th SEPTEMBER 2007

**Minister Cullen launches Credit Union and
MABS Christmas Budgeting Campaign**

Minister for Social and Family Affairs, Martin Cullen TD today (Wednesday 19 September 2007) launched a MABS (Money Advice and Budgeting Service) and Irish League of Credit Unions' information awareness campaign which aims to assist people with budgeting for Christmas. Building on a 2006 pilot programme, this year's campaign entitled *Keep the Wolves from the Door this Christmas* will be run on a national basis and includes a leaflet / poster campaign organised by MABS offices and Credit Unions throughout the country. Leaflets will also be disseminated through the St Vincent de Paul, Citizen Information Services and post offices. The campaign's leaflet which includes a money planner, gives practical advice on the value of savings and managing a budget before and during the Christmas season.

Speaking today **Minister Martin Cullen** said: "The background and catalyst for this campaign was the publication in 2005 of two reports, *Do the Poor Pay More?* published by OPEN (One Parent Exchange and Network) and a working paper by the Centre for Co Operative Studies in UCC, funded by Combat Poverty entitled *Meeting the needs of low income groups: Credit Unions v Money Lenders*, which recommended that credit unions develop a marketing campaign targeted at people on low incomes. I am pleased therefore that this awareness campaign has moved from a small pilot and is now a national campaign. People who are anxious about the issue of debt in the run up to Christmas can get advice from MABS or contact their credit union for competitive loan advice". Minister Cullen added: "The UCC study shows that a significant number of people at that time were borrowing from money lenders at high interest rates. I am very concerned about



Department of Social and Family Affairs

the problem of debt in some low income families and that is why MABS, with its 53 offices around the country is there to provide advice to people who are over indebted and in need of support. This year alone, 8,329 new clients have been seen by MABS, the majority being lone parent families and overall the number of people who are being supported and advised by MABS is 18,451". In 2006, the Department of Social and Family Affairs allocated €16.4 million to fund MABS and for 2007, €17.67 million has been provided to assist the organisation with its work.

In relation to borrowing, Minister Cullen said: "If people are borrowing for Christmas they need to consider loan options available, borrow to a minimum and be wary of the interest rate and other charges such as set up fees which they may end up paying".

The campaign highlights that the credit union – a financial cooperative run by and for its members - is a competitive option for consumers.

Minister Cullen concluded: "There can be many reasons for the debt difficulties that people encounter whether at Christmas or at others times of the year. I am committed to working in this regard to strengthen the role of MABS in tackling this debt issue – not just the reasons for the debt, but also the fact that those who are on low incomes and who are in debt feel that they cannot access* the full range of mainstream financial services available in the wider community and that the money lender, which generally charges high interest rates, is the only option for them".



Department of Social and Family Affairs

Issued by: Michelle Hctor 087 856 3070
Niamh Fitzgerald 087 2547232

*This was a finding in the following document: *A Report on the Licensed Moneylending Industry*, March 2007. Published by the Financial Regulator.

The Money Advice and Budgeting Service may be accessed on www.mabs.ie
MABS is a national, free, confidential and independent service for people in debt or in danger of getting into debt. MABS may be contacted by telephone on helpline **1890 283 438**.