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Study shows financial education essential for good money management

The Retirement Commissioner says a study released today by the Families Commission provides a valuable insight into how families get into problems with debt and how budgeting services can help them take control.

Diana Crossan says *Escaping the Debt Trap - Experiences of NZ Families Accessing Budgeting Services* gives a better understanding of what can be done to make a difference for families under financial stress.

“Giving people the knowledge and confidence to control their own finances is empowering. The importance of better access to financial education and advice is borne out in this study.

“The Retirement Commission has been a driver in getting financial education into all New Zealand schools. In July this year we handed over responsibility to the Ministry of Education. Schools are a very good place to start. However we also need to ensure that people at all life stages have access to information that helps them make well-informed decisions about how to manage their money,” said Diana Crossan.

“We know that budgeting services make a profound difference for families who are struggling. We know times are tough for many families. Maybe it is time for a review of funding for budgeting services in New Zealand.

When financial problems strike, it’s very easy for some people to feel helpless and for the situation to get even more out of control. However Diana Crossan says getting budgeting advice is a great first step to gaining back the control.

The need for a budget is one of our key messages on sorted.org.nz. It helps to give people the resources and confidence to take control of their finances.”

The Retirement Commission provides free and independent information on sorted.org.nz on all aspects of money management from budgeting and planning, to insurances and investing.

You can order Sorted’s free budgeting booklet at sorted.org.nz/ordering or by calling 0800 SORT MONEY (0800 767 866).

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