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## More New Brunswickers struggling with personal debt

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### Finance: Expert stresses need for more knowledge and an increased awareness about the importance of financial literacy

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According to the Credit Counselling Services of Atlantic Canada more New Brunswickers are struggling with personal debt.

 ENLARGE PHOTO



Matthew Sherwood/Telegraph-Journal

Tamara Kelly, education coordinator at Credit Counselling Services of Atlantic Canada Inc., says her biggest piece of advice for people struggling with debt is to learn to keep a daily budget. Consumers need to know where their money is going so they don't have to borrow just to keep their head above water, she says.

Tamara Kelly is an education co-ordinator with the not-for-profit organization.

Over the last year they have seen an increase in both debt loads and the number of debts families are juggling. The need for credit services has also increased, she says.

As the name suggests, Credit Counselling provides face-to-face or over the phone financial advice. A big part of their work is to help people dig themselves out of debt and teach people to budget.

They have also seen a large increase in those seeking general information about managing their money, she said.

The credit counsellors tour the province with information about sound money management. Over the last year they have seen an 85 per cent increase in the

crowds at their free public seminars.

Kelly says part of that increase is due to recent economic turmoil. The financial mess south of the border has also led New Brunswickers to the financial classroom, she says.

The credit counsellors focus on preventative education. They lead courses for high school students and church groups but they will also go into businesses for lunch-hour sessions.

"We need more knowledge and an increased awareness about the importance of financial literacy," Kelly says.

There is a shortage of financial help in New Brunswick for French speakers and those who live in rural areas, she said.

"Access to financial information in your own language is very important for understanding how to manage debt."

Kelly says she worries about the future. When interest rates finally increase, credit counsellors fear they will see a jump in people through their door.

Kelly said her biggest piece of advice for people struggling with debt is to learn to keep a daily budget. Consumers need to know where their money is going so they don't have to borrow just to keep their head above water, she says.

And New Brunswickers are not the only ones in the red.

According to a widely published study by the Certified General Accountants Association of Canada if the average outstanding debt was to be spread across each man, woman and child in the country, each person would hold \$41,740 in debt. That number is two and a half times greater than in 1989.

The same study, released at the beginning of May, found Canadians are relying more on credit for big ticket items such as cars and renovations.

And the recession didn't slow down our love affair with spending on plastic. More Canadians depend on credit cards and lines of credit.

A recent study by Manulife Financial Corp. (TSE: MFC) found that Canadians rank being debt free as a top priority.

Many people aren't taking an active role in their financial health, said Tom Nunn, a spokesperson for Manulife. Most people surveyed said they don't shop around for the best rates when their mortgage

came up for renewal.

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