

Trust. The Glue of Life



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Stephen Covey once said, "Trust is the glue of life. It's the most essential ingredient in effective communication". To succeed in managing and advising someone else's debt to maximise your income takes skill and trust.

If you really want to engage with tenants in debt who might be reluctant to talk to you, to earn the privilege of the opportunity to dispense your professional expertise and build a relationship with them – don't you dare pre-judge them.

Daily Essentials

What's an essential ingredient in your life? You'll list family, friends, security and safety – things like that. What about hobbies and spare time – what's essential then? The season ticket perhaps, the membership, the right clubs, the reliable car.

I remember in my last 'proper job' I was an essential car user, with an essential user allowance. Lots of mileage logs, claims and reasons for driving around a lot. You see, it was essential.

So what's essential in your home? Leaving out the human elements and emotion, we pack our homes with stuff. Some of the stuff is nice, memorable, useful, antique, handy or, well, essential. It is all essential, isn't it? What is the measure of essential? How is it judged? Who judges it?

When Eastlands Housing placed an article in its tenants newsletter earlier this year it caused an interesting debate on what was essential in the context of paying your way. Remember the article? It was on a Rent and Service Charges page of the tenant's newsletter stating "Can you really afford Sky, cigarettes, bingo, drinks and other non-essentials?". The context was rent, payment, priorities, welfare reform and budgeting.

Why the fuss? Well firstly it was terribly judgemental towards many people who struggle to pay their way and can also enjoy these non-essentials. Secondly, and more sinister, it gave away an attitude that many people in housing have. It presumed everyone in trouble with money fritters cash away on things we consider as non-essential. What Eastlands did, and many agree with them, they committed it to print.

Breaking Down Barriers

As George Best once famously said: "I spent a lot of money on booze, birds and fast cars. The rest I just squandered".

There is a generalisation here that is worrying. My work in debt management training reveals some prevailing attitudes that are only creating barriers. We don't want barriers – that's hard work. To succeed in managing and advising someone else's debt takes skill and trust. Skill is easily taught. It's the trust that causes the problem.

Many housing organisations now include fundamental affordability checks and interviews as part of its normal business, both pre-tenancy and, albeit more recently, as part of negotiating repayment plans (or agreements). This latter initiative is surprising. Why wouldn't you go through a full financial assessment if someone wants to pay by instalments? It is a form of credit agreement after all.

But it's the 'content' and 'tone' of the conversations that are most concerning. The size of the plasma television (not the plasma itself, but the size), the exotic animal arrangement, the smoking, the digitally enhanced goods and services. One department promoting digital inclusion whilst another criticises it.

Choice & Disposable Income Dilemmas

What it boils down to is choice, preference and priority. Those affect all of us every day. We make choices based on what our money situation is and might be. Some choices are wise. Some are stupid. That's life.

The debt management training is designed to explore Income and Expenditure. The exploration is always exciting as maximising income is a good thing. It's the fiddling with expenditure that's the problem. And it's getting worse.

Once priority and non-priority debt has been identified (not essential and non-essential debt), it's the 'disposable income' conversation. Usually a challenge as there's never much left to dispose of. Get the bills out of the way – you know, those household expenses – and there's never a lot to play with, or squander.

Telephone – essential? For most it is, for some it can be disposable. It's digital now – a computer on the go. A telephone that once was 'non-priority' can now be used to access the universal credit account. Difficult to be inclusive and judgemental here. Here's an irony – I am talking with an organisation about its desire to deliver its debt and money advice service through its own App. Essential?

Television – essential? For most of us it is. The plant stand in the same corner isn't quite so entertaining. Football, soaps, X-factor. Ways of life. It's usually cheaper to watch on the Sky-driven plasma (48") than go to the real events. Are we really negotiating a way of life?

Cigarettes, drinks – essential? Well, the conversation about addiction, habit, routine, health goes on and on. We all know it's just not that easy to 'advise' someone to stop. And just how qualified are housing people to say this anyway?

Oh yes, it's about sanctions, enforcement and punishment. That gives housing the permission it needs to judge because the home can be taken away and the tenant blamed. There has been much talk lately about 'bedroom tax eviction policies' that are wonderfully innovative. If housing cares so much about the 'non-essentials', why not take those away and leave the tenancy where it is?

This is not really about essentials or non-essentials. It's about grown-up values rather than pandering to playground tantrums or occasional bullying. People make their own decisions. Of course, housing professionals are ideally placed to advise, help and counsel. Today's welfare reform debate about priority and rent is ironic. Many tenants don't even know how much the weekly rent is. There lies the legacy of direct housing benefit for you.

Welcome to the Real World

Once the real world kicks in there can be a more realistic conversation. Rent and payment will have a true value in a real budget instead of a make-believe value in an invisible account. The true value of

essential expenditure will be revealed. And the ownership, or responsibility, of what is 'essential' will be determined by the person best placed to judge.

In the meantime, if you really want to engage with those who might be reluctant to talk to you, to earn the privilege of the opportunity to dispense your professional expertise and build confidence in people – don't you dare pre-judge them.

Talking with people about something as deeply personal as their money, their indebtedness, their mistakes and their behaviour takes skill – and trust. It is this trust that will bind the relationships that you want with many of the people who are often too shy, or too ashamed, to talk with you.

This relationship is the 'glue of life'. Now, that is essential.

About the author

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Since 2007 we have undertaken a range of strategic work for organisations, and since 2011 have been at the forefront of providing strategic and operational advice, assistance, insight and training for landlords in preparing for welfare reform.

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