

Families struggling with back to school costs urged to avoid fast credit

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With many families hit hard financially by COVID, finding the money for back to school expenses has never been tougher.

Not for profit Good Shepherd has urged families in financial distress to consider government backed No Interest Loans, rather than adding to credit card debt or turning to pay day lenders and other sources of fast credit.

Back to school costs such as books and uniforms average around \$500 per student, with devices (laptops and tablets) adding another \$500 plus.

Good Shepherd CEO Stella Avramopoulos said that the cost of back-to-school basics combined with the requirement for BYO devices was stretching the budgets of thousands of Australian families who were already experiencing tough times.

“Our frontline workers are seeing many families struggling financially due to the impact of COVID, and with government supplements being reduced, more people are likely to feel the pressure,” Ms Avramopoulos said.

“We know that the impact of COVID has seen many people experience financial distress who have never needed help before. This is always an expensive time of year for families and we want them to get access to safe, responsible sources of financial information and support,” Ms Avramopoulos said.

No Interest Loans can be used to cover a range of back-to-school expenses including books, uniforms, tablets and laptops and even school camps.

Ms Avramopoulos urged families on low incomes to apply for a No Interest Loan instead of turning to high interest credit cards, buy now pay later schemes or payday lenders.

“A payday loan or buy now pay later scheme can seem like a good idea, but you can soon find yourself in trouble if you miss a repayment, due to late fees and charges,” she said.

“NILS has been supporting low income families for 40 years. With these loans you can borrow up to \$1,500 and repay only what you borrow with absolutely no interest, no fees and no charges, ever.”

The NILS program is funded by the Australian Government, in partnership with Good Shepherd and NAB.

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