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Britain in debt



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Out of the red in 12 easy steps

If your spending is spinning out of control, it could be time for a visit to Debtors Anonymous

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'I spend to change the way I feel. If I'm depressed or feeling a lack of self esteem I will spend and it will give me a kick,' says Sarah (not her real name), a woman in her late twenties who regularly attends Debtors Anonymous (DA) meetings. This sounds pretty much like anyone who enjoys shopping, except that Sarah's purchases were, and sometimes still are, based on unsecured debt she cannot repay, leading to financial chaos and perpetuating her lack of self worth. This is not unusual either. What makes Sarah different is her willingness to admit it had become a problem.

According to the Bank of England, consumer debt reached record levels last year, topping £100 billion. How many of us are in debt is unclear, but if attendance at DA is anything to go by, discussion of indebtedness may be the last taboo. Compared to other 12-step groups, like Alcoholics Anonymous, DA, with fewer than 20 meetings throughout the UK, is very small. Denial is an established survival tool in a culture that actively encourages spending on the never-never.

David (not his real name), a long-standing member of DA, says: 'Predominantly, those attending DA are people at the mercy of credit card companies, generous overdraft facilities and loan sharks, as well as the media who often promote you-can-have-it-all aspirational lifestyles. These agencies carry a lot of responsibility but at the end of the day it's up to the individual to change the way they feel. They are powerless over debt in the same way a gambler is powerless over gambling.'

The totals owed by members range from a few hundred pounds to six figures. The only requirement for membership is a desire to stop incurring unsecured debt. Like all 12-step groups, self-responsibility is central to DA's programme of recovery. DA supports members to



stop one day at a time by following the programme adapted from the original (see boxes above) set down by Bill Wilson, the founder of Alcoholics Anonymous. But DA also offers very practical advice to help develop good money management: cutting up credit cards; recording all income and expenses on a daily basis, right down to a cup of coffee and paper; and preparing a spending plan. David says the spending plan helps recognise the role that self-denial plays in repetitive patterns of debting. He says: 'We don't believe in having a budget, we have a spending plan, which puts our needs first, so that we don't resort to an equally self-destructive pattern of self denial to repay our debts too quickly.'

This, DA literature states, allows debtors to balance the need to honour and repay all unsecured debts with the need to look after their emotional and physical needs. Once debts have been stabilised, DA supports members in increasing their income. David says: 'Financial sobriety is also reflected by an ability to earn a good income. We acknowledge that debtors are also often under-earners.' "Compulsive pauperism" may sound Dickensian, but it is the real experience of many DA members.

Jeff (not his real name), a man in his late thirties from the Home Counties, relates his experience: 'When I graduated from university in the Eighties I was emotionally unprepared to function and perform within the workplace in spite of a good education. I felt ashamed of my under-earning and inability to hold down a full-time job to provide for my basic needs. I ended up indulging in sex and drugs to avoid my feelings, accruing significant debts in the process.'

Job satisfaction that provides a sense of self worth is no panacea for the complexity of modern life, but it can help us find our place in society. Dr Jo Nash, director of the MA psychoanalytic studies course at the University of Sheffield, says: 'Compulsive spending helps counter the isolation many people feel by providing a sense of worth and belonging essential to mental health.'

How Barry got out of £100,000 mess

Business Debtors Anonymous (BDA) is a distinct and dynamic but not separate part of DA, created to focus on the recovery of members of the fellowship who are business owners. Barry, a middle-aged man in his forties, started attending both DA and BDA 10 years ago with debts in excess of £100,000.

'I was 'business gambling' in the hope of making my family business a success,' he says. 'But my investment decisions were poor. I never applied even the minimum due diligence any responsible business person should.' Barry found out about DA while in another 12-step group, and quickly realised how easy it was to transfer one addiction to other areas of your life. Today, through applying the 12 steps and DA's advice, he has fully repaid his debts through a combination of sale of assets and increasing his income. He says: 'I feel a much happier person, have a quality of life and look to the future positively.'

Signs of danger

1. Not knowing account balances, monthly expenses, loan interest rates, fees, fines, or contractual obligations.
2. Frequently borrowing items and money from friends and failing to return/repay them.
3. Poor saving habits. Not planning for taxes, retirement or other predictable items, then feeling surprised when they become due.
4. Compulsive shopping.
5. Difficulty in meeting basic financial or personal obligations, and/or an inordinate sense of accomplishment when such obligations are met.
6. A feeling of being in the club, of being accepted, when paying by credit instead of using cash.
7. Living in chaos and drama around money: using one credit card to pay another; bouncing cheques; always having financial crises.
9. Unwarranted inhibition about what should be a normal discussion of money.
10. Overworking or under-earning: working extra hours to earn money to pay creditors; taking jobs below your skill and education level.
11. Living in self-imposed deprivation; denying your basic needs in order to pay your creditors.
12. A feeling or hope that someone will take care of you if you get into serious financial trouble.

Path to recovery

The 12 steps provide a spiritual programme of recovery from addiction or compulsive behaviour, be it gambling, sex, drugs, alcoholism, or debt. There is no formal membership. The programmes require that adherents commit to a belief in a spiritual or higher power but this does not have to be God in a sense understood by Christian and other religions. Of the 12 steps, the first three are considered the most important. They define the need to admit powerlessness over addiction or compulsive behaviour; the recognition that only a source of spiritual power can restore sanity, but also the right of the individual to define how they understand that source of spiritual power.

The 12 Steps of Debtors Anonymous

1. We admitted we were powerless over debt - that our lives had become unmanageable.
2. Came to believe that a power greater than ourselves could restore us to sanity.

- 3.** Made a decision to turn our will and our lives over to the care of God.
- 4.** Made a searching and fearless moral inventory of ourselves.
- 5.** Admitted to God, to ourselves, and to another the exact nature of our wrongs.
- 6.** Were entirely ready to have God remove all these defects of character.
- 7.** Humbly asked him to remove our shortcomings.
- 8.** Made a list of all persons we had harmed and became willing to make amends to them all.
- 9.** Made direct amends to such people wherever possible, except when to do so would injure them or others.
- 10.** Continued to take personal inventory and when we were wrong promptly admitted it.
- 11.** Sought through prayer and meditation to improve our conscious contact with God as we understood him, praying only for knowledge of his will for us.
- 12.** Having had a spiritual awakening as the result of these steps, we tried to carry this message to other compulsive debtors, and to practice these principles in all our affairs.

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