

- ▶ Tax Time Preps
- ▶ Thinking of Summer Fun
- ▶ Love Challenge

## Planning Ahead for Summer Fun

The winter doldrums are here, but that doesn't mean you can't start thinking ahead to summer fun. Now is the time to consider your summer vacation and determine how to best fit your plans into your budget.

Before you start planning, consider your budget, the costs associated with vacationing and how to save extra money to fund your vacation. Some vacation expenses include: new wardrobe additions, kennel costs if you have a pet, travel costs, like airfare or renting a car, gasoline if driving, meals and snacks, accommodations and souvenirs. These costs can add up. Look at ways you can reduce your spending now to save for your vacation expenses. Start saving change in a jar and try to toss in a five dollar bill every week.

Consider a multi-family vacation to save costs. Gather up a group of family or friends and split the cost of renting a beach house. Usually, this is an economical way to vacation. To save more money, plan on eating most of your meals at the house. A fully equipped kitchen is a benefit of a beach house.

If you're flying to your vacation destination, don't forget to account for luggage costs if your carrier does not offer free baggage checking. If there's a charge, take advantage of the policy one carry on per traveler and try to get away with only checking one piece of luggage.

If you plan on eating out frequently on vacation, check out websites like restaurant.com where you can purchase gift cards usually at a reduced price. Also, consider purchasing an entertainment book for the locale where you're visiting. It might cost \$25.00, but it could provide you with valuable coupons for restaurants and other activities.

## Tips

Most of us make a pledge at the beginning of the year to try to eat healthier, but sometimes healthy eating can be expensive, especially during the winter months. Here are some tips for sticking to your healthy eating plan and sticking to your budget.

- When buying fresh fruits and vegetables, stick to what's in season... which isn't much in winter! Try to plan meals around winter squash, cabbage, sweet potatoes, brussel sprouts or leeks. Winter fruits include tangerines, grapefruits, clementines and kiwis.
- Don't be afraid to substitute frozen fruits and vegetables. Frozen vegetables may be less expensive than fresh and the selection is greater. The nutritional content is the same and the prep work is already done.
- If you like to use fresh herbs to add healthy flavoring to your cooking, consider planting an indoor winter herb garden, which is more cost efficient than buying fresh herbs at the grocery store.
- Dig up some hearty soup recipes. Soup can be a filling and nutritious meal. It can also be made in advance and frozen for later use.



**Q:** What are the best ways to rebuild my credit and increase my credit score?

**A:** Rebuilding credit after financial problems is an important step on the road to financial recovery. There are specific things you can do to help you on your way.

**Check your credit report** – Go to [www.annualcreditreport.com](http://www.annualcreditreport.com) and see what exactly is on your credit report. If anything is incorrect, contact the credit bureau to dispute it. If the credit bureau cannot verify that a debt is accurate it must be removed from the report.

**Pay your bills on time** – Paying your bills on time will help improve creditworthiness and likely increase your credit score. Try setting up automatic payments from your bank account or write the check for the bill as soon as you get it in the mail and mark on the outside of the envelope the bill's due date so you can mail it when necessary.

**Consider a secured credit card** With a secured card, you deposit money into a savings account with the bank and this is used as collateral for your card. Charge something on the card monthly and pay the bill on time. This will help establish a good payment history which will be reflected on your credit report.

**Consider counseling** – Our certified counselors can help you create your budget and develop an action plan. You'll also learn money management skills to help you remain financially stable.

# Get Ahead on Income Taxes

Tax time is quickly approaching. This year, the IRS is giving filers an additional 2 days to complete their income taxes. Since April 15th is a Sunday and the 16th is tax amnesty day in Washington, D.C., your income tax returns don't have to be submitted until Tuesday April 17th. However, that doesn't mean you should procrastinate. It's a good idea to get your taxes done and now is a good time to start.

Gather your pertinent tax information: W2 forms, interest statements, receipts and information for work related deductions. Decide if you're going to do your taxes yourself or if you will use a professional tax preparer. If you're going to a professional, make sure they have a Preparer Tax Identification Number, a new requirement in 2011, and do a check of them with the Better Business Bureau. Also, make sure you have all contact information, so you can reach them if necessary.

When filing your income taxes, determine if you qualify for the Earned Income Tax Credit (EITC). The EITC was designed for tax payers with a reduced income, who meet certain eligibility requirements. For the most part, eligibility is based on income and those who qualify could receive a refund of up to approximately, \$5,700. More information on the EITC can be found on the IRS website, [www.irs.gov](http://www.irs.gov).

Often, the good part of filing taxes comes in the form of your refund check, but too much could be a bad thing. If you're averaging over \$3,000 for your tax refund and you don't qualify for the EITC, chances are you're not claiming the proper amount of exemptions from your paycheck. Check with your employer to see how many

exemptions you're taking and adjust as necessary. Check the IRS website for a withholding calculator to help you determine your withholding amount.

In recent years, some professional tax preparers have been offering tax filers refund anticipation loans, meaning, they'll advance you your refund, but first will take a fee off the top. Typically, in addition to the fee, the loan also carries an interest rate of about 24%. One of the largest professional tax preparers decided to stop offering such loans and if your tax preparer offers you one, it's best to wait until you have your refund check in hand from the government. This will save you hundreds in fees and interest.

Once you receive your tax refund, think about what its best use would be. If you don't have an emergency savings fund, it might be a good idea to start one with your tax refund. This will provide a cushion when unexpected expenses come up. If you have credit card debt, put the refund towards the card with the highest annual percentage rate. Doing so will either improve your cash flow or get you closer to paying off the card.

Consider using your refund to get ahead on some bills. If you have a monthly expense, like an activity payment for your children, use part of the refund to pay off the rest of the year. If your retirement savings is lacking, consider using the refund to invest in a Roth IRA. If you're under 50 you can contribute up to \$5,000 annually to the fund. Your tax refund could help build your account.

As tempting as it is to procrastinate, it's best to begin working on your taxes as early as possible. You'll be more organized and less stressed come tax day.

## Resources

[www.irs.gov](http://www.irs.gov)

[www.restaurant.com](http://www.restaurant.com)

[www.aaa.com](http://www.aaa.com)

[www.amusementpark.com](http://www.amusementpark.com)

[www.mousesavers.com](http://www.mousesavers.com)

### The Advantage Challenge

*Advantage CCS challenges you to ... February is the month of love...and sometimes that can mean added expenses. Advantage CCS is challenging you to show your Valentine you care and stick to your budget. Try to spend \$15.00 or less and do something thoughtful for your significant other. Let us know what you come up with. Email [hmurray@advantageccs.org](mailto:hmurray@advantageccs.org) with your gift ideas and gestures. Happy Valentine's Day!*

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