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Planning for the holidays

The holiday frenzy is almost upon us. Are you ready?

Ideally, the answer would be yes. You've been setting aside money all year and have built up a stash of holiday spending money. If that's not exactly the case, it's not too late to budget for the holiday season.

First, review what you spent last year, even if it's an estimate. Are you likely to spend the same amount this year or are there areas where you can cut back? When you're planning your holiday budget consider not only the money you'll be spending on gifts, but also what you'll be spending on entertaining, decorating, and travel.

If your entertaining budget is smaller this year, think about hosting pot-luck style. Ask each of your guests to contribute to the meal in some way, even it's to bring a beverage. Your guests will likely be happy to help.

Instead of baking cookies on your own, get a group of friends and try a cookie exchange. Assign one or two types of cookie per person and then distribute a dozen of each to the members of the group. A cookie exchange could save you money and time.

If you're flying out of town for the holidays, don't forget most airlines charge for checked luggage now. Shop early and ship your gifts ahead of time. Shipping the gifts will likely cost less than checking them.

As the holidays come to a close, start thinking ahead to next year. Look for greeting cards and decorations on sale. Usually stores greatly discount holiday items. Pick up items you'll need for next year. You're likely to get a great deal and a head start on next year's holiday frenzy!

Tips

A fun part of the holidays for many people is decorating, but it can get expensive. There are ways to decorate without going over your holiday budget.

- Take advantage of nature. Around Thanksgiving, use some fallen leaves, acorns and pumpkins or gourds as free, or low-cost, decorations around your home and on your dinner table. Use pine boughs and pine cones around Christmas.
- Instead of going to a tree lot for a fresh tree, try cutting it down yourself at a local farm. It's usually less expensive and often becomes a nice family tradition.
- If your decorations have seen better days, try revamping them instead of replacing them. Add a new bow or inexpensive ornaments to a wreath to spruce it up.
- Use a vase of ornaments as a center piece for your table.
- Shop at dollar stores and discount stores for inexpensive decorations.



Q: Recently, I received a letter from my bank asking if I wanted to enroll in overdraft protection. Is this a good idea?

A: This answers depends on several factors, including if you frequently overdraw your bank account, but first let me give you some history as to why your bank is asking you that question now.

New laws have recently taken effect that require banks to get permission from their customers to sign them up for overdraft protection. (See the **Resource** guide for a link to more information about this.)

So, should you sign up for overdraft protection or not? Overdraft protection will save you the embarrassment of having your card declined at the cash register, but you will be responsible for fees associated with your account being overdrawn.

Instead of overdraft protection, you may want to consider other alternatives, like linking your bank account with another checking account or a savings account, so if you do overdraw your primary checking account, your back-up will be hit for the purchase and you will only be charged a nominal fee.

Or the best advice is to keep your checking account in balance by following your budget.

If you're having trouble keeping a balanced budget, you may want to consider calling Advantage CCS and scheduling a budget counseling session.

Start a savings account now

It is crucial to have a savings account, yet many Americans have little to no money set aside for emergencies.

According to a recent MetLife survey, 45 percent of the people questioned said they couldn't pay their bills for more than a month if they lost their job.

Job loss isn't the only reason you need to have a savings account. Many emergencies and unexpected expenditures can arise such as home or car repairs, a medical emergency or last minute travel. If you don't have money set aside you'll likely be left using a credit card or borrowing money when you're faced with an emergency expense.

Saving money can be difficult and can seem overwhelming. But there are some ways to start a savings account that will make it a little easier.

Start by setting savings goals. Set a short-term goal and a long-term goal. Make sure your short-term goal is something manageable that doesn't make you feel overwhelmed. You might want to start with a goal of setting aside a certain amount of money to put into your savings each week. This can be as much as you can comfortably afford to put aside or as little as \$5 a week if that's all you can manage at this point. It is better to put something into savings, even a small amount, than nothing at all. You can always increase the amount you put aside as time goes on.

A long-term goal may be something more ambitious like accumulating enough savings to cover six months' worth of your expenses. This is what many financial experts recommend so that you are covered in the event of a job loss or some other catastrophic event that could leave you without income for an extended period of time.

A good way to ensure you put money into savings is to have the money automatically deposited into your savings account. Some employers will give you the option to have a specific dollar amount put into your savings account each pay. This will help you to avoid the temptation of spending the money before you have a chance to put it into your savings.

You can jump start or boost your savings if you get a windfall of cash. If you receive a tax refund, a bonus at work or any other unexpected lump sum of cash, put it into your savings.

Collect all of your spare change. You might be surprised how much money you can accumulate when you toss spare change into a container. You can take the change to the bank every six months or once a year and have them deposit the money directly into your savings account. Be cautious when using the change counting machines found in many stores. You will likely be charged a fee, and some of the machines are now giving store gift cards instead of cash.

Another way to put some money aside is to turn saving into a game. You probably know that the little things you spend money on can really add up over time.

See what you can cut out of your expenditures and put that money aside instead. For example, if you stop for coffee on your way to work every day, try making the coffee at home and putting the money you would have spent into your savings account.

Get creative when it comes to saving money. You can probably think of more ways to save money. The important thing is to start saving now.

The sooner you can build up your savings, the less you will have to rely on credit to cover emergency expenses.

Resources

For more about the new overdraft rules:

www.federalreserve.gov

The Dollar Stretcher:

www.stretcher.com

Inexpensive decorating ideas at Goodhousekeeping:

www.goodhousekeeping.com

Find reviews of checking and savings accounts at Bankrate:

www.bankrate.com

The Advantage Challenge

Advantage CCS challenges you to ...

Start a plan for your savings. If you do not have a savings account, open one at your local bank or credit union.

Using tips from the article to the left, set savings goals and dates by which you want to reach those goals.

See how much money you can accumulate in your savings account over the next year.

Advantage

2403 Sidney St., Suite 400

Pittsburgh, PA 15203

(888) 511-2227

www.advantageccs.org

