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Charitable Giving on a Budget

As most Americans continue to feel the pinch of an unstable economy, charitable organizations are feeling the pinch as well. Charities are dealing with declining donations, but an increasing need for their services. There are some ways to continue making charitable contributions without busting your budget.

One of the easiest non-cash donations can come from cleaning out your closets. Donate any gently used clothing that you won't wear anymore. A good rule of thumb is if you haven't worn it in the past year, it's unlikely you will again. Consider donating the items to a women's shelter or a homeless shelter.

As unemployment continues to rise, more consumers are seeking out the services of local food banks. One way to help fill the food bank's pantry shelves is by shopping for items to donate at discount grocery stores. While the items are not brand names, they are significantly less expensive and will stretch your donation dollars further.

Churches and schools often hold bake sales as a way to raise money and baking homemade goodies can be a relatively inexpensive project that will still net profits for the organization.

Another way to support a charity while maintaining your budget is by donating your time. If you want to support your local animal shelter, check into their dog walking program (usually there's a training session before you start). Volunteer to serve meals at your local soup kitchen or read to kids at the local library. Donating time is an effective and meaningful way to still support causes close to your heart.

Tips

Most freshmen in college are spending their first weeks away from home and away from Mom and Dad's wallet. It's important to provide your student with some budgeting and money management advice, so they make the right choices on their own.

- Keep track of spending. Use the dorm meal plan. Frequent meals out will add up.
- Shop around for textbooks. Check online, and if possible, buy used.
- Students may want to take on a part-time job if their schedule permits. Put extra money earned into an emergency fund for unexpected expenses.
- Parents (or students) who have taken out loans for college may want to start making payments on them now. It helps reduce the amount in interest paid when the student graduates.



Q: What is the difference between a debt "management" program and a debt "settlement" program?

A: Debt management allows you to repay your debt, while maintaining a good relationship with your creditors. Payments made on a program are then distributed to your creditors each month. The debt is paid in full, often at a reduced rate of interest. In some cases, it also allows you to reinstate delinquent credit debt to a current standing. You are paying back the full amount of debt owed and you are saving by paying less in interest charges.

A debt settlement program generally involves debt that has been charged off by a creditor. If the debt is paid back for less than originally owed some tax and legal issues may arise. It is reported to the credit bureaus (Experian, Equifax, & TransUnion) as "settled for less than the full balance," and not paid as agreed. This notation will stay on your credit report and negatively affect your credit for 7 years. If you or someone you know is struggling with debt Advantage is here to help. Contact us for a free appointment by phone or in person to determine your best option for resolving your debt issue.

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Daily Deal or Daily Dud?

If you've been online lately there's no doubt that you've seen a website offering daily deals or coupons. These types of websites have seen a tremendous surge in popularity over the past year or so. But are these sites saving you money or costing you money? Consider some factors before clicking the mouse to ensure that your daily deal isn't a daily dud.

The daily deal site is geared to appeal to the compulsive or excessive spender. The bargain hunter is especially vulnerable, since buy one get one free and deep discounts are usually the main selling points.

Once you've signed up or bought something, the sites are tough to avoid and it can be difficult to unsubscribe once you're a member. These sites are also advertised prominently all over social networking sites so avoiding them is not the easiest thing to do. However, when used wisely these deals can save you quite a bit of money. Like anything they need to be taken in moderation to truly realize actual savings.

The first step when considering a deal is to ask yourself if you can really afford the item. Budget issues usually don't arise from problems paying the mortgage or car payment. Issues usually come from buying superfluous items that add up to put you over budget. Generally speaking, if you don't really have the money it's a good idea to hold off. But if you have the cash on hand, go for it.

Another major factor to pay attention to is whether or not the coupon or deal will eventually expire. Obviously if you purchase a deal and the coupon expires before you use it, it won't be a good deal, just another drain on the budget.

If you notice that you have 2 or 3 coupons piling up it's probably a good idea to take a break for a while. Make sure that you have ample time to use the coupon before it expires.

Also make sure that there is a very high likelihood that you will actually use the coupon. This is especially true when the countdown clock is ticking away on a deal. The countdown clock is designed to put you under pressure to buy and it can be quite effective. A lot of folks will click on a deal when it's unlikely they'll use it just because they're feeling pressure from time running out on the clock. You should never feel pressured into buying anything, let alone something that's not in your budget. So if you feel any pressure back off and reconsider the purchase.

When reconsidering that coupon purchase, try asking yourself this question first: What else could I do with this money? Too many times folks get caught in the, "It's only \$20" mentality. But buy three \$20 coupons every month and you're looking at \$720 by the end of the year. Whether it's paying down debt or increasing your emergency fund, chances are you could probably think of a better use for most of that money. Remember that those small amounts add up quickly.

So next time you see that great "time is running out" daily deal on the internet pause for a second and ask yourself a few simple questions. Your monthly budget will thank you for it.

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Resources

www.charitynavigator.org - evaluates charities

www.bbb.org/us/charity-standards for charitable giving

greatnonprofits.org - reviews of nonprofit organizations

www.guidestar.org - information on nonprofit organizations

The Advantage Challenge

Advantage CCS challenges you to pack lunches for your school-aged children. With school lunches averaging \$2.50, packing lunch four days a week will save you approximately \$360 a year. If you pack your child's lunch everyday, you'll save \$450. We would love to hear suggestions for creative school lunches. Email your ideas to hmurray@advantageccs.org.



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