

- ▶ Keeping Track of Holiday Expenses
- ▶ Shred Day Success
- ▶ Are You Facing a Financial Crisis?

## Tracking Holiday Expenses

The holiday season is upon us and most tend to spend more money this time of year. A new study conducted by Research Now found that 47 percent of consumers will spend more than they can afford and 36 percent will end up with credit card debt after holiday spending. The best way to avoid overspending at the holidays is to set a budget and stick to it.

So, how do you determine holiday expenses and how do you plan for them throughout the year? A good first step is tracking holiday related expenses. Carry a notebook with you to notate money spent on holiday related goods or carry an envelope for receipts for holiday purchases.

When tracking holiday expenses, you want to take into account money spent on all holiday related items, not just gifts. We tend to entertain more this time of year, so we're likely spending more money at the grocery store. Most add to their holiday decorations, so notate those types of purchases. Tracking all holiday related expenses will give you an idea of how much you need to save for next year.

What if you track your holiday expenses and don't like the number you come up with? Cut back! Reduce the number of people on your gift list. Cut back on the entertaining or ask your guests to bring an item for the buffet or their favorite bottle of wine. Look for ways to repurpose some of your old holiday decorations to make them new again.

Most importantly, remember it's the time spent with family and friends that matters, not the money spent.



**Q:** Now that the weather is getting colder, I'm having a hard time keeping up with my utility bills. Is there any assistance available?

**A:** Yes, the Low-Income Home Energy Assistance Program (LIHEAP) provides low-income families with a grant to help pay their heating bills. The LIHEAP program is available to homeowners and renters who meet the income guideline requirements. Also, you do not have to have an unpaid heating bill to receive the assistance.

There are two assistance options available. The first is a cash grant. This assistance is sent to your utility company and is applied to your heating bill.

The second is a crisis grant. This program is available to consumers whose main heating source has been shut off or to consumers who are close to running out of their supply of home heating fuel.

In Pennsylvania, to qualify for LIHEAP, you must meet the following income guidelines:

- Family Size 1 - \$16,755**
- Family Size 2 - \$22,695**
- Family Size 3 - \$28,635**
- Family Size 4 - \$34,575**
- Family Size 5 - \$40,515**

LIHEAP applications are available at [www.compass.state.pa.us](http://www.compass.state.pa.us) or by calling 1-866-857-7095.

LIHEAP guidelines vary state to state. For residents outside of Pennsylvania, contact your state's office of public welfare.

## Update

*Thank you to everyone who participated in the Agency's first annual Shred Day event as part of Protect Your Identity Week. Advantage CCS would like to thank Cintas for providing the truck during the event. Here are some statistics, provided by Cintas, on the material shredded that day:*

- An estimated 3,126 pounds of paper or 1.5 tons was shredded that day
- By shredding and recycling the material, we saved –
  - \* 27 trees
  - \* 5 cubic yards of landfill
  - \* 3 Barrels of oil
  - \* 10,941 gallons of water

*Thanks again for making Shred Day a success!*

# Facing a Financial Crisis

During the holidays, most consumers are focused on spending. However, some consumers may not realize they are spending themselves into a financial crisis. There are some warning signs that you may be facing a debt crisis.

First, evaluate your debt to income ratio. Is the amount of debt you're carrying greater than 20 percent of your take home pay? If this answer is yes, it might be time to re-evaluate and figure out how to reduce your debt load. Your car payment should be included in your amount of debt.

Another sign of a debt problem is making only the minimum payment on your credit card bills. Making only the minimum payment on credit card bills means you're paying very little towards the principle amount of your debt. The National Foundation for Credit Counseling recommends making at least double the minimum payment.

Consumers facing financial difficulties may also use credit cards as a way to replace income. Instead of cutting back on spending, some consumers may use credit cards to replace income lost. However, in most cases, this results in adding more debt when you're already burdened with more than you can handle.

In addition, consumers in a financial crisis find themselves using credit cards to purchase necessities, like groceries or to make payments on monthly bills.

So what do you do if you find yourself facing a financial crisis? The first step is a thorough assessment of income and all expenses. If you don't use a budget, now is the time to begin to do so. Your assessment can be completed several ways. You can do a complete accounting

of all expenses and debt payments. Consider everything you are spending money on and how much you are spending. Compare that with the income you have coming in and make adjustments as necessary.

Developing a budget on your own can be an overwhelming task. Advantage CCS can help consumers develop a budget and also offer information on resources they may not know are available. Take advantage of a free budget counseling sessions. During the hour long session, an agency certified counselor talks to you about your spending habits and encourages you to consider all expenses. For example, the counselor will ask you consider what you spend on purchases like lottery tickets, vending machine items or other miscellaneous expenses, which sometimes, you might not think to consider adding to your monthly expenditures.

Advantage CCS also has an online option, [www.onlinebudgetadvisor.com](http://www.onlinebudgetadvisor.com) for completing a budget. The easy to use system walks you through, step by step on how to complete a budget and what expense categories you should consider. It also provides an action plan, which details resources that you may find useful.

In some cases, a reduction or loss of income is at the root of a financial crisis. In those cases, it's important to prioritize your debt and always secure your housing expense first. When income is not the issue, re-evaluating spending habits and prioritizing needs vs. wants can sometimes alleviate a financial crisis and help you put your money to better use.

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

## Resources

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

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

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

[www.compass.state.pa.us](http://www.compass.state.pa.us)

[www.liheap.org](http://www.liheap.org)

### The Advantage Challenge

*Advantage CCS challenges you to ...track your holiday expenses and develop a plan for next year's holiday spending. Examine all aspects of your holiday expenses, including family and friends on your gift list and other expenses, like entertaining and decorating. Determine what you want to spend next year and figure out a plan to save the money throughout the year, so this time next year you have your money saved and your list ready to go.*

# Advantage

2403 Sidney St., Suite 400  
Pittsburgh, PA 15203  
(888) 511-2227  
[www.advantageccs.org](http://www.advantageccs.org)

