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## Last Minute Holiday Shopping on a Budget

The holiday shopping season is winding down, but if you haven't started your shopping yet, don't let your procrastination be an excuse to bust your budget.

First, make a list. Don't go shopping without a detailed list of whom you need to buy presents for and some ideas for each person. Browse around online to get ideas. If the price and time is right, make your purchases online. Use apps and websites like Retail Me Not and Ebates to make sure you're getting the best prices on your purchases.

If your procrastination is directly tied to lack of holiday funds, reevaluate your list and the purchases you need to make. Don't feel like every gift that is given to you is needed to be given back in the same manner. Get creative. A tin of homemade cookies or homemade bread will be appreciated and cost effective. Search online for creative homemade gifts, like homemade vanilla extract or flavored olive oil. Consider homemade gifts for children on your list. There are recipes for homemade play dough or homemade moon sand that will be entertaining and easy on your budget.

Think about the family and friends left on your list. Do you see any of them for a post-holiday get together? If so, take advantage of after Christmas sales instead. You will get things at a remarkably lower cost that will be more affordable.

After the holiday shopping rush is over, take time to review your purchases and amount spent. Determine what it will take for you to save this amount for next year, so when the holidays roll around, your procrastination won't be because of your budget.

## Tips

*With 2015 coming to a close, it's time to take a look ahead to 2016. Here are some possible financial resolutions for you to tackle in the coming year.*

- **Increase savings** – do an online search for a savings challenge and see if it fits in your budget. If it's a weekly savings challenge, consider doing the challenge in reverse so you're saving larger amounts in the beginning of the year.
- **Reduce food costs** – take a look at your grocery spending. Is there anything you can do differently to cut back on food expenses? Evaluate your shopping habits and see if any changes can save you money.
- **Eat out less** – do you find that you're spending a significant amount of money on food outside the home? If so, make it a goal to change that habit. Eat out only once a week and pack your lunch.
- **Pay down debt** – do you have a debt that you would like to pay off this year? Pick something to tackle and figure out how you can accomplish it within your budget.



**Q:** Should I cosign a loan for my family member?

**A:** Cosigning on a loan for a family member is a difficult decision and one that requires careful consideration.

First and foremost, by cosigning a loan you are taking on responsibility for the debt. If the borrower is unable to pay, you will be responsible for making the payments. Determine if it is possible to make the payments in your current financial situation. If payments are missed, you may be required to pay the entire amount due. Also, you must understand that by cosigning on a loan, it will be considered a liability on your credit report. This may prevent you from being approved for other credit.

If the borrower misses a payment, the lender may use the same collection tactics against you to recover the debt. As the cosigner, you will also be responsible for late charges and other fees the borrower may incur.

If you decide to cosign on the loan, it's important to obtain a copy of all the loan documents and any warranties. You may also request the lender notify you if the borrower misses a payment. This may allow you to make back payments without having to pay the whole debt in its entirety.

As with any financial decision, carefully take into account the potential risks of becoming a cosigner. Keep in close contact with the borrower and insure the loan payments are being made as agreed.

# The Advisor's Best of 2015

As another year comes to close, we thought we would take a look back at some of this newsletter's articles from the past year, with the hopes you will continue to build on the money management techniques you have learned from the Advantage Advisor.

## Cut Costs in the New Year

When it comes to budgeting, in some cases, reducing expenses can improve cash flow and mean extra money in your pocket. Cutting expenses can be an effective way to increase your monthly income if you find yourself falling short each month.

First, take a long look at your budget. What are you spending your money on each month? If you're not sure, then the first step is to track your expenses for a month and figure out exactly where you money is going. From there, you can identify areas where you can spend less or eliminate expenses.

## Managing Financial Stress

We all know stress has a negative impact on our health and on those around us, like our family and friends. Financial stress can be difficult to deal with and leave you with an out of control feeling. Financial stress has been linked to health problems, like ulcers, high blood pressure and depression. The best way to manage financial stress is to deal with financial problems and avoid ignoring the reality of your finances.

The first step in decreasing stress related to your finances is to assess your situation so you have a clear understanding of where things stand and how bad your financial situation is. It's easier to deal with your finances when you honestly assess where the financial stress is coming from and determine ways to fix it. Often, consumers are hesitant to make necessary life style adjustments and ignore money problems until they are out of control. When you're honest with yourself, you can better manage your finances and reduce your stress.

## Financial Spring Cleaning

Spring is the perfect time to go through old records and shred information that is no longer needed. It's also a good time to examine some aspects of your finances and if necessary, clean some

things up.

A good first place to start is your credit report. All consumers are entitled to a free credit report from each of the credit bureaus annually. If you haven't done so in a while, it's about time to check yours. Go to [www.annualcreditreport.com](http://www.annualcreditreport.com) and access your credit report from one of the bureaus. You can obtain all three or you can wait another couple months and retrieve one of the others.

## Setting Financial Goals

Throughout different aspects of our lives, goal setting can play an important role in motivating us towards self improvement. Often times, we'll set goals to lose weight, get a new job, or obtain a promotion. Setting financial goals is just as important. Financial goals can help us achieve financial security.

Setting goals requires us to specifically think about what we want to achieve and the steps it will take to achieve it. You want your goal to be a "star." Specific, Time frame, Action, Realistic. You want to clearly define your goal, how long it will take to achieve, the actions required to achieve it and if it's realistic and achievable.

## Holiday Shopping on a Budget

The holidays can be a stressful time of year. Add in a tight budget and the stress is magnified. It's important to establish a holiday budget and develop ways to stay on track.

The holidays are known for over indulging. It's critical to make sure that your holiday spending meets the reality of your monthly budget. Your first step in making sure you don't overspend this year is to determine how much you saved for your holiday expenses. This money should not be taken from your emergency savings. Holiday shopping is not an emergency. It should come from money specifically set aside for the holidays. If you have adequately saved, make your list, check it twice and determine your spending budget for each individual of your list.

Thank you for reading! Here's to a financially healthy 2016!

## Resources

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

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

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

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

## The Advantage Challenge

*Advantage CCS challenges you to...track your expenses for the month of December. We all typically spend more this month. Write down everything this month you are spending money on. Determine what of these expenses are holiday related and make a plan to save the same amount for next December. Look for ways to cut back to start 2016 financially strong. Let us know what you discover. Email results to [hmurray@advantageccs.org](mailto:hmurray@advantageccs.org).*

# Advantage

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