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## Finishing 2016 Financially Strong

As we wrap up 2016, there are some items you should check off your financial checklist before the year's end.

Track your December expenses - see how much your holiday expenses are and plan to save that amount for December 2017.

Increase your emergency fund – instead of using your holiday bonus to finish shopping, consider putting at least half to your emergency fund. It will increase your financial stability in 2017.

Make any planned charitable contributions now – if you have a charity or nonprofit organization that you have wanted to support, make the donation now so you'll be able to claim it on your 2016 taxes.

Review insurance policies – examine your current insurance policies and compare your costs. Switching car insurance may mean a reduction in costs. However, be aware, the insurance application process includes a credit check and your credit score could affect what you pay for insurance.

Check your credit – if you haven't done so all year, or if you haven't looked at all three, go to [www.annualcreditreport.com](http://www.annualcreditreport.com) and get your free credit report. Make sure the information on there is accurate and see if there's anything you need to tackle in 2017.

Take some time to evaluate your finances and start 2017 on a sound financial foot.



**Q:** I would like to reduce the number of credit card offers I receive in the mail. Is there a way to do this?

**A:** Constantly receiving credit card offers in the mail can be burdensome. It's not wise to simply throw the offers in the trash because of the personal information that may be accessed. All credit card offers received in the mail should be shredded and disposed of properly.

Credit card companies send pre-approval offers as a way to market to consumers. There is a way to greatly reduce how many of the offers you receive in the mail.

The website, [www.optoutprescreen.com](http://www.optoutprescreen.com), allows you to opt out of receiving such offers in the mail. The Opt Out Prescreen website is the only website approved by the credit bureaus to provide this service. By inputting your information into the website, you are opting out for five years to receive offers in the mail. You may also opt out permanently by submitting through the mail a Permanent Opt Out Election form.

To complete the opt out process, you are required to input your name, address, social security number and date of birth. This allows your credit record to be identified. Providing your social security number is not required, but it is recommended.

Carefully consider if you want to opt out of receiving offers in the mail. Offers you receive in the mail are likely ones you may qualify for. Prescreened offers also tend to be competitive and may mean lower interest rates.

If you decide you wish to receive offers again, there is an opt in option by submitting such a request through [www.optoutprescreen.com](http://www.optoutprescreen.com).

## Tips

*New Year's Eve can be a costly celebration. Here are some tips to ring in the New Year and stay on budget:*

- If you plan on celebrating with a dinner out, look for a restaurant that's offering a prex-fixe menu. Typically, this type of offering will include an appetizer, dinner, dessert and drinks.
- Host a pot luck party at home. Invite family and friends over to celebrate the New Year and ask everyone to make their favorite party food. The night in will be a lot cheaper for everyone.
- Check out free celebrations in the city where you live. A lot of cities host First Night celebrations, which gives you access to a variety of different events for minimal cost.

# The Best of 2016

As another year comes to a 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.

## Improve Financial Stability

There are several steps you can take to improve financial stability.

**Track expenses** – Tracking expenses is a good start to improving your finances. Tracking expenses allows you to see exactly how you're spending your money each month. Track all of your expenses for at least 30 days. Either write down every purchase you make and how much you spent or keep all your receipts.

**Develop a budget** – A budget is more than a monthly accounting of what your bills are. It's way to help prioritize your needs over your wants and how to put your money to its best use. It's important to develop a budget that encompasses all of your monthly expenses, not just fixed costs like rent or a mortgage payment.

**Increase savings** – Make a commitment to developing a saving plan in 2016. Evaluate what you can afford to save each month and make a plan on how and where you will save it. The easiest way to save money is to have it automatically deducted from your paycheck. Save it before you see it.

## Earning Extra Income

Sometimes when reviewing your monthly budget, you may find that additional income is needed. If you took on additional debt that you want to pay off quickly, or possibly a temporary crisis caused you to deplete savings or simply, your current income is not sufficient to meet all expenses, which have already been reduced significantly, there are some strategies to use to create additional income.

If your situation is one that more income is needed to meet monthly expenses, then a part time job in addition to your full time job may be necessary. There are ways to take on additional work while working full time. Most retail stores look for part time workers who can work in the evening or on the weekend. Working 20 hours a week at a part-time job paying \$9.00 per hour could have you netting almost \$7,000

annually. An additional \$7,000 will help pay off debt or increase savings.

## Planning Ahead for Summer Fun

A good way to beat the winter doldrums is to start planning summer fun. However, it may not be fun when we're on a tight budget, but there are still ways to plan summer fun and stay on track with your budget.

First, decide what your travel budget will likely be. Is a weeklong vacation a possibility or will you be going out of town for only a few days? Maybe neither of those is a possibility and it's a staycation you're planning. Whatever the case may be, decide now how much you're willing to spend on your vacation and figure out a plan for how to save that amount.

When vacation planning, it's important to consider all costs involved. These costs may include: airfare, hotel, food, transportation, and entertainment. Make a plan for all expenses.

## Making the Most of Your Tax Refund

One of the best uses for a tax refund is to establish an emergency savings fund. It's important for financial stability to have some money set aside in case the unexpected happens. A tax refund can help boost emergency savings. Experts recommend three to six months of living expenses, a goal you can build to over time. A good first goal is one month's rent or one mortgage payment.

Another good use of a tax refund is paying down debt. Maybe there's a credit card that can be paid off and a car loan that can be reduced or eliminated. Evaluate outstanding debts. What kind of effect would putting a tax refund have on the amount that is owed? Being able to pay off or pay down a debt could have a positive impact on not only your monthly budget, but your credit report as well.

Starting a retirement savings fund is also a good use for a tax refund. Investing a portion or all of the money into a traditional IRA account can kick start retirement savings.

Thank you for reading the Advantage Advisor in 2016! We wish you health, happiness and prosperity in 2017!

## 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 you are spending money on. Determine which 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 2017 financially strong. Let us know what you discover. Email results to [hmurray@advantageccs.org](mailto:hmurray@advantageccs.org).*

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