

- ▶ Planning for summer vacation
- ▶ Putting your tax refund to work
- ▶ Strategies to boost savings

Thinking Ahead to Summer Vacation

The calendar reads February, but now is a good time to start thinking ahead to the summer months and determine if a vacation get away is in your future and in your budget. Starting to think about your summer plans now, makes it easier to put them into action when the weather turns warm.

First, you need to decide if you can realistically start saving for vacation. Consider your budget and what you're already putting aside for savings. This would be on top of your current saving habits, not instead of what you're saving.

Next, figure out how much you can set aside weekly. It's easier to make a weekly deposit into your vacation savings account than a monthly deposit. Weekly savings will be a smaller amount and most likely easier to make happen. It's easier to pass on dinner out when you know the money you're saving is going towards some summer fun.

Once you determine how much you can set aside towards your vacation planning, you can start to figure out destinations in your vacation budget. Maybe it's a drivable trip for a long weekend or a week camping in a state park. If you're hoping for a beach vacation, compare prices for different weeks of the summer. An early or later beach trip can usually net you some savings.

Plan ways to keep costs down while on your vacation. Look for accommodations that allow you to eat some meals in the hotel or condo. If you're driving to your vacation destination, consider taking some grocery supplies with you to save on your food expense.

If your savings doesn't meet the type of vacation you want, delay for a year. Skipping a vacation this summer can help you save more and go on the type of vacation you're anticipating next year.



Q: What's the best use of my income tax refund?

A: Last year, the average tax refund was over \$3,000. You should give careful consideration to your tax refund and how to use it. Here are some tips so you can get the most out of it:

If your emergency fund is lacking, put at least half of it towards your emergency savings fund. It will give it a nice boost or give it a kick start.

Pay off or pay down credit card debt. If you're on a debt management program, contact an Agency Program Support Specialist about making an extra payment.

Pay extra on your mortgage. Depending on how much your monthly mortgage payment is, your tax refund could mean one or two extra payments for the year, resulting in a significant interest savings.

Invest in a Roth IRA or other retirement savings account. You may also want to research on how to invest in the stock market and consider investing a portion of the refund.

Think about upcoming periodic expenses and pay some of them off in advance.

Put it aside in a fun money account and use it for extra expenses throughout the year, like trips to museums, amusement parks or different entertainment expenses that typically come out of your monthly income.

Results

Advantage CCS regularly surveys its clients about the counseling services received. Here are the results of the 2014 surveys:

- 76% of consumers reported experiencing financial distress due to credit cards or other unsecured debt as the reason they sought out counseling
- 91% of clients surveyed reported the action plan they received to be very useful or useful
- 95% of clients said after the counseling session, they were very likely or likely to use some of the money management techniques learned during the session
- 95% of clients said after the counseling session, they were likely or very likely to make lifestyle changes to either balance their budget or increase their savings
- 88% of clients said they were very likely or likely to start an emergency savings fund, set a long term savings goal or increase their savings

Saving Strategies

During the month of February, the Consumer Federation of America marks America Saves week (Feb. 23-Feb. 28). During the week, consumers are encouraged to take a pledge vowing to save more. By taking the pledge, you commit to saving money, reducing debt and building wealth. You're also encouraged to set a savings goal, which may help in your success. Check out the Agency's facebook page for more details on taking the pledge and information on other America Saves week activities.

Building a savings fund is an important piece of financial stability. According to the U.S. Census Bureau, about 25 percent of American families have no savings all. It's critical to have some money set aside in case of an emergency. An unexpected crisis can be the financial unraveling for some families. Here are some tips and strategies to either start building savings or increase how much you're saving each month.

Establish a monthly budget- It's unrealistic to begin to increase savings without knowing how much you can afford to save. Setting up a monthly budget, which includes all expenses and debt, can help you determine what your savings can be. In addition, include savings as a line item in your budget and make it one of your top priorities.

Track Expenses- To make sure your budget is accurate, it's important to track expenses for 30 days. This will give you an idea of everything you're spending money on, including extra expenses. These extra expenses are vital to include in your budget. Sometimes, once you evaluate your extra expenses, you can find ways to increase your savings. Tracking expenses may encourage you to cut back on some spending.

Set a Savings Goal- It's a good idea to set a savings goal. Setting a savings goal can help keep you motivated to stay on track with your savings. Write your goal down and keep a copy of it in your wallet or somewhere else

visible to you. It will help remind you what you're saving for when you're considering making an extra purchase outside of what your budget allows.

Save Automatically- Set up your savings to automatically come out of your paycheck or bank account once your paycheck is deposited. It's easier to stay on track with savings if you save it before you see it. It's likely that you won't notice a slight decrease in pay, but you will find your savings increase with minimal effort.

Cut expenses- Cutting back on some of your regular monthly expenses can be a way to increase your savings. Evaluate your grocery costs and see if you can achieve any savings by meal planning or changing where and the way you shop. Consider other expenses you can cut or reduce. If you have cable, evaluate whether or not it's worth the expense. Look into alternatives to cable subscriptions or consider internet only service instead of cable.

Save change- Make a pact with yourself to spend no change. Any change you receive goes into a change jar or bank. Total it up after a year and see how quickly it adds up. Another idea is to not spend any one-dollar bills. Any dollar bills you have left at the end of the day, goes into a bank or envelope. Total it up after six months or a year and deposit the amount in an interest bearing account.

No buy month- Select an upcoming month as a no buy month. You only make essential purchases during a no buy month, like groceries. All other purchases are off limits. See how much you save after a month and deposit it into your savings account.

The Advantage CCS Online Budget Advisor and Savings Goal Tracker can help keep you on track with your budget and your savings. Establish your monthly budget, set your savings goals and track your results through the system. It's available for free at www.onlinebudgetadvisor.com.

Resources

www.onlinebudgetadvisor.com

www.ibelong.org

www.advantageccs.org

www.annualcreditreport.com

The Advantage Challenge

Advantage CCS challenges you to...set a vacation savings goal. Use the tips from the article on the front of this newsletter and plan a vacation get away for yourself and your family. Determine your budget and research locations that fit the budget. Come up with a savings plan and commit to making your vacation dreams come true. Let us know how you do and where you go. Email results to hmurray@advantageccs.org.

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