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Setting a Savings Goal

When determining your budget, savings should always be accounted for. It's important to find ways to save money. Some extra money set aside can serve as a form of financial protection if you ever need it. It can keep you from turning to a credit card to solve a problem, like a car in need of repairs or a new hot water tank.

Sometimes the thought of finding extra money to save can be overwhelming, but when you're starting out, start with what's comfortable. Maybe it's setting aside \$5.00 a week or \$20 a month. You'll have saved \$240 in a year's time. As time goes by, you might find that saving money is easier than you think, so you add to it. Saving \$50 a month will give you \$600 in one year, which is a nice cushion to have in case of an emergency.

Advantage CCS has developed a new tool to help you better track your savings. The Advantage CCS Goal Tracker, found on the website www.onlinebudgetadvisor.com, allows you to identify what you're saving for, determine how much you want to save monthly and set up reminders to make the deposit into your own savings account.

The Goal Tracker tool is a simple, easy to use system. You do not link the system to your bank account; just simply track when you make the deposit. There's no personal information required and it is safe and confidential. In addition, the system provides you with monthly charts and graphs to show your progress towards your goal.

The Goal Tracker and Budget Builder are both free programs and can be accessed via the website, www.onlinebudgetadvisor.com.

Tips

When starting a savings plan, it's important to identify and track goals to maintain your motivation in achieving them. Each goal you set should be a **STAR** you reach for:

- **Specific** – make your saving goal something specific like, I am going to save \$50.00 a month for a new dishwasher.
- **Time Frame** – the goal should have a time frame in which you want to accomplish it. The time frame can be a few weeks or months or as long as a year or more.
- **Action** – Your goal should include actions you're going to take to achieve it. For example, I am going to pack my lunch two days a week and put the money I'm saving towards my goal.
- **Realistic** – Goals are not dreams. Be realistic about it and make sure it's something you can achieve.



Q: I'm considering cosigning a loan for my brother. What is my responsibility if he does not pay it?

A: As a cosigner on a loan, it is your responsibility to make the payments if your brother defaults. Choosing to cosign a loan for a friend or relative is a serious decision. Before doing so you should consider the following:

When cosigning a loan, in most cases, it's the same as taking out the loan yourself. If the borrower does not pay the debt back, the creditor expects you to make the payment in their place. If you do not make the payment, you are subject to the same collection activities as the borrower is.

You also want to consider whether or not you could make the loan payments if the borrower defaults. As the cosigner, you must be prepared to take over the payments at any point in time.

In addition, cosigning a loan may prevent you from getting other credit. The loan will be considered as one of your obligations when evaluating your credit. If the borrower defaults and you can't make the payment, the loan will be reported as such on your credit report.

Consider the person's character before making your decision and consider what happens to your relationship if the borrower defaults on the loan.

Remember, you are taking a risk on the borrower that the lender was not willing to take, so be sure that your relative or friend has the ability to pay back the debt in full.

Summer Fun on a Budget

After a long, cold winter, summer is finally here. The months of June, July and August stretch out with endless possibilities...but how can you keep the fun in summer and some money in your wallet? There are plenty of ways to have fun this summer without busting your budget.

What's more fun than spending your summer swimming? However, owning a pool can be an expense and responsibility you don't want. If you're looking to join a pool, check out community pools versus private clubs. Community pools typically are much less expensive to join than signing up for a private club. It may not have the additional amenities clubs have, but it does have the main summer attraction – a pool!

If a vacation was not in your budget planning this year, consider short trips in the region where you live. Check out state parks that you can drive to and consider a camping trip or investigate the cost of on-site cabins, which are typically less expensive than a hotel. Check out historical sites in the area, which usually cost very little in admission fees.

Also, instead of a vacation, consider a "staycation." A staycation gives you the opportunity to explore your city or town like a tourist would. Check out websites for different places you would like to go and see if they offer a discounted rate on certain days. Look for coupons for reduced admission rates. Check community listings for free festivals that happen often throughout the summer. Some festivals often include free concerts. Buying food at festivals can be expensive, but usually it's ok to pack a snack from home and enjoy the concert.

If you plan on spending a lot of time this summer at your local amusement park, check to see if a season pass is available. While it is more costly up front, it can save you in the long run if you plan on attending often. Also, if you're planning a long weekend trip to an amusement park nearby, check hotels in the area for package deals on park admission and hotel rooms.

Check out the movie theater for days when you're tired of swimming and ready to spend some time in the air conditioning. Most theaters offer a day where tickets are sold at a discounted rate. Some theaters even offer a kids club, which shows movies once a week at a low price.

Don't forget about your local library as a resource for summer activities. Most libraries have summer reading programs for children and adults. In addition, there are usually a variety of other activities, like story times, book discussions, and craft nights.

There are lots of fun and inexpensive activities that you can do at home as well. Get an old jar and catch lightning bugs. Take a walk around the neighborhood in the evening. Blow bubbles and draw with sidewalk chalk. Visit local parks in your area. Play hopscotch. Have a movie night. Go fishing. Sell lemonade. Gather the neighborhood kids for a scavenger hunt around the neighborhood. Host a potluck dessert party. Make a sundae bar instead of going to the ice cream shop.

Summer fun does not have to cost a lot of money. Sometimes, it's the little things that add up to big fun and special family memories.

Did you know?

You can receive an electronic version of this newsletter in your email every month. If you would prefer to receive the newsletter electronically, in a pdf format, please email hmurray@advantageccs.org and we will add you to the list.

The Advantage Challenge

Advantage CCS challenges you to...use the new Goal Tracker on the Budget Advisor website (www.onlinebudgetadvisor.com). Identify what you want to save for. Maybe it's a vacation, new car, or an emergency fund. Use the goal tracker to set your monthly savings goal and to help you plan how you're going to get it done. Let us know what you think and how you did... email results to hmurray@advantageccs.org.

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