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## Attending Weddings on a Budget

It's wedding season. Not only is this an expensive venture for the bride and groom, it's also costly to the guests attending the wedding, especially if you are attending multiple weddings in a short amount of time. While it's great to celebrate this special day with family and friends, it's also important to keep your budget constraints in mind.

Your wedding guest budget should include a shower gift (if you're invited), attending the bachelor/bachelorette party, transportation to the wedding, overnight accommodations (if necessary), clothing, and a wedding gift. Attending the wedding could cost \$500 if you don't plan correctly. Multiply that a couple times and you could be down over a \$1,000 by the time wedding season is done.

There are ways to cut some corners. If you're attending a shower, pitch in on a shower gift...the bride to be will have something nice removed from her registry at a nominal cost for you. If it's not in your budget or you're not that close to the bride or groom, skip the pre-wedding festivities. Carpool with other guests to the wedding. If you plan on booking a hotel room the night of the wedding, check with the bride and groom to see if there is a reduced price for wedding guests and consider sharing a room with friends who will also be in attendance.

No need to shop for a new outfit for each wedding you're attending. Recycle your looks or change it up with accessories. When shopping, buy something basic that you can alter with a scarf, different jewelry or different shoes.

Match up a coupon with the gift registry for the gift. If you're giving money, only give an amount that you deem reasonable for your budget and your relationship to the couple. You're not being invited because of the gift you will give. You're invited to a wedding to share in an important day for family and friends and to celebrate with them as they start their life together.

## Tips

*Instead of hitting the department store for new wedding attire, consider consignment stores and thrift shops for some new clothes. Here are some tips for shopping second hand stores for dressier items:*

- Check the clothing carefully before you make your purchase. Look for stains or rips before taking the item home.
- Know your prices...just because it's from a second hand store, doesn't mean it will be cheap. If you buy a designer item, you may pay more for it second hand then if you purchase something new that's not designer clothing.
- Don't just think about your local consignment shop or goodwill store...second hand selling is an online business with numerous websites catering to the second hand market.



**Q:** : Does the amount I pay on my credit cards each month have an effect on my credit score?

**A:** Currently, the greatest impact on your credit score is paying your bills and paying them on time. It accounts for 35% of your score. As long as you're making your monthly payment on time, you are positively impacting your credit score. However, creditors may soon start looking at other ways to evaluate what type of borrower you are and that may include the amount you're paying on your credit cards and whether or not it's significantly greater than the minimum payment.

Some credit bureaus are now including that type of payment information on a credit report. A study conducted by TransUnion found that consumers who pay amounts largely greater than the minimum payment are less likely to become delinquent on their credit card, car loan or mortgage.

The study found that consumers, who make a payment that is significantly higher than the minimum payment or pay the card off each month, were more likely to pay off the card, car loan or mortgage. Consumers who pay off the card or make more than the minimum monthly payment are identified as transactors. Consumers who carry a balance are identified as revolvers.

The bottom line is paying more than the minimum payment on your credit card will always benefit you. It helps pay down the debt faster and means you're paying less in interest.

# Where to Save Your Savings?

We all recognize it's important to save money, but how to save and where to save can be difficult questions. Some think the notion of saving money can be an unrealistic expectation within a current monthly budget. However, for most of us, if we honestly look at our spending, we can find ways to set some money aside in savings.

To determine how much you want to save each month, the first place to start is setting a savings goal. Identify what exactly you're saving for. If you don't currently have an emergency savings fund, make that your first goal. The amount you should have set aside in your emergency savings should amount to at least one or two months of your rent or mortgage.

If you have an established emergency fund, consider other savings goals, like a vacation, the holidays, or maybe just for a rainy day. Set an amount that you will feel comfortable setting aside on a regularly scheduled basis. Here are some calculations:

- Save \$5.00/ week= \$20/month = \$240 annually
- Save \$10.00/week = \$40/month = \$480 annually
- Save \$25.00/week=\$100/month=\$1,200 annually

Next you want to determine where in your monthly budget you can come up with \$20, \$40 or \$50 a month. Examine your expenses to determine if there's anything you can cut back on. If you buy coffee a couple times a week, cut back and put that money into savings. The same can be done for lunch or dinners out. Reduce spending in those areas to increase your savings. If you're still not sure how to find extra money to set aside for savings, track your expenses for one month to determine if there's any spending you can reduce in favor of saving more.

The next question is where to save your money. If you have an emergency

savings fund, you do want that money to be accessible to you, but not too accessible. With emergency savings, you want to define what constitutes an emergency. For example, an unexpected expense over \$200 or a car repair you weren't planning on. A new pair of shoes on sale is not an emergency. A traditional savings account may be an appropriate place for emergency savings.

If your saving goals are more long term and you want to see your money grow over time, you may want to consider alternatives to a savings account. Most savings accounts are earning less than one percent in interest annually. If you're looking to grow your savings with a higher interest bearing account, then looking for an alternative would be appropriate.

What's the alternative to saving accounts? There are several. If you are saving for retirement, a Roth IRA may be an appropriate option. Long term CDs also usually yield higher interest rates than a typical savings account. Money market accounts also usually have a higher interest rate. However, with any of these types of accounts, it's important to understand the terms. Withdrawing funds before retirement from a Roth IRA comes with heavy tax penalties. Taking money from a CD early could be costly because of early withdrawal penalties. It's important to know the financial ramifications of pulling money out of an alternative savings product before investing money there.

Regardless of where you save your money, taking steps to build your savings is what's important. Starting somewhere and seeing it grow over time will help increase your financial stability.

## Resources

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

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

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

### The Advantage Challenge

*Advantage CCS challenges you to ... Make a commitment to increase your savings. Figure out an amount that you can commit to saving each month and make it happen. Set a savings goal and determine where you're going to save your money. To help keep you on track with your monthly deposit, use the Agency's Goal Tracker on [www.onlinebudgetadvisor.com](http://www.onlinebudgetadvisor.com). Track the amount you save and your progress towards your goal. Let us know how you do. Email your results to [hmurray@advantageccs.org](mailto:hmurray@advantageccs.org)*

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