

- Keep cooling costs down▶
- Busting budget busters▶
- Credit vs. Debit▶

## Saving Money on Cooling Costs

Summer is here, which means the air conditioning and fans are probably running. Can you almost see the increase in your electric bill? We have a few helpful suggestions to help keep you cool this summer and not drain your bank account.

Before starting your air conditioner this summer, give it a checkup. Is the filter clean? Dust and dirt can clog up your filter and reduces the efficiency of your air conditioning system. The harder it has to work the more money it is costing you. Clean or replace your filter once a month or as recommended by the manufacturer.

Locate your air conditioning unit so it's in a shady place and out of the sun.

If you don't like or don't have air conditioning, consider opening your windows at night when it's cooler and close them during the day to keep the cool air inside. Keep cool by closing the blinds or drapes on your windows. This will help to keep the hot sun out while keeping your home cool. You may want to use fans instead. Circulating air makes a big difference.

If you have central air, consider using a programmable timer. You can program it for different temperatures at different times throughout the day.

The summer is a great time to take inventory of your finances. If you find yourself struggling to pay your utilities, perhaps it's time to consider a budget plan. Your utility companies will do a 12-month average of your energy usage. Instead of paying for your total usage, you pay an average of what you are using over a 12-month period per month. This way you know what your bills will be throughout the year. A budget counseling session may also help determine how best to afford utility bills and other resources available. Contact Advantage CCS at 1-888-511-2227.

## Tips

*While summer means vacationing, spending time at the pool and soaking up the sun, it also usually means an influx of wedding invitations arriving in your mailbox. While we want to celebrate with our family and friends, it's important to do so in a way that won't break your budget. Here are some tips for attending weddings on a budget –*

- Each wedding does not require a new outfit. Maybe purchase something basic and accessorize it differently for each wedding on your calendar. Consider different jewelry or maybe a summer wrap or scarf to make the look different. Rotate suit ties for a different look.
- Factor in travel costs for out of town weddings. Maybe split the car ride and the gas with another friend or family member and if you can, split any lodging costs.
- Instead of giving cash, consider a gift from the bride and groom's registry. With coupons and discounts, you may be able to stretch your wedding dollars more.



**Q:** Whenever I go shopping and use my debit or credit card, I get asked “debit or credit”? Is there really a difference?

**A:** Yes there is a big difference. When you use your debit card, you are using money that's in your checking account. It's important to track that purchase and deduct the amount from your checking account balance. Not tracking these expenses can cause you to overdraw your account and pay exorbitant fees.

When you use your credit card, you are using someone else's money and you pay it back at a later date at a cost - interest. With a credit card you can pay your bill in one of three ways: you can make the minimum monthly payment, you can add a few dollars so you pay the balance off faster, or you can pay it off in full every month when you get your statement, which is the best way to use a credit card to avoid interest and fees.

If you are using a debit card, you can still hit the “credit” key. By using your debit card as credit, you don't have to key in your pin number. This can sometimes be safer than entering the pin number. Your card number still matches up with your checking account and your purchase still gets deducted from your checking account. If there is a MasterCard or Visa logo on your debit card and you use it as “credit”, and you have a dispute with an item you purchased, sometimes it's easier to work with MasterCard or Visa to solve the problem.

Keep in mind that using your debit card as credit does not qualify as a credit purchase and does not get reported to the credit bureaus.

# Identifying Budget Busters

When evaluating a monthly budget and expenses, sometimes it's unclear as to why we can't make ends meet. We know our income is sufficient for the monthly fixed expenses we have, so we can't understand why we come up short. Most likely, it's because of budget busters – items or habits we're spending more than we should on each month. The following are examples of some common budget busters and what to do to remedy them.

**Eating out** – Government statistics find that consumers spend more than 50 billion dollars a month on eating outside the home. Eating out is an easy budget buster. If you eat lunch out five days a week at approximately \$15 a day, you would spend \$300 a month or \$3,900 a year on just lunches. Considering most families eat dinner out several times per week, the meals outside of your home portion of your monthly budget may be extremely high. Spend one month evaluating your dining out costs and see what that part of your budget looks like and figure out how to make adjustments. Meal plan each week, so you know what you're making for dinner, eliminating the temptation to order out. Determine how much you want to spend on meals outside the home and then decide what you will do with the extra savings you'll incur each month.

**Entertainment** – Entertainment expenses can also quickly add up if we are not keeping track of spending. Entertainment expenses can come in various forms. Some examples include happy hours, movies, renting movies, casino trips, lottery tickets, concerts, and sporting events. All of these activities cost money and if we're not careful, we could overspend without realizing until it's too late. It's best to carefully plan out any entertainment activities. Determine what your top priorities are. If you have a habit of buying scratch off lottery tickets, compare your expenses to your winnings and see if you are truly ahead. If you enjoy going to the movies, try going on a night when the

cost is reduced. In some theaters, that's Monday or Tuesday. Set an annual budget for concerts and sporting events and once you've spent your designated amount, avoid any more costs.

**Daily deals** – Our email inboxes and social media feeds are bombarded with information on daily deals and steals. These too good to be true deals offered for a limited time only can definitely wreak havoc on our monthly budgets. Making purchases because it's a "good deal" or being offered at a "great price" can quickly catch up to us. Typically when we make these types of purchases, it's on things that we wouldn't normally be doing or buying. If possible, look back over the course of the last year and evaluate money that you've spent on daily deals for merchandise or activities. Was the amount spent worth it for the merchandise or activities? Carefully consider each daily deal purchase and remember, just because it's a good price, doesn't mean it's worth paying it.

**Credit Card Debt** – Often times when we have items that are busting our budgets on a monthly basis, we'll also find that our credit card debt is slowly climbing. When spending beyond our means, we sometimes may use credit cards to supplement the income we don't necessarily have. This is when it's critical to evaluate spending and make adjustments to avoid credit card debt. If you are carrying more credit card debt than you're comfortable with, cut back on expenses and come up with a plan to get your debt paid off in a certain amount of time.

If you're struggling with your monthly budget, consider contacting the agency for a budget counseling session. Our certified counselors will help you identify your budget busters and can offer solutions for better money management. Contact the agency at 1-888-511-2227.

## 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...examine your monthly budget and expenses and identify your budget busters. Determine where extra money is going each month, how much it's costing and how you can change it. Think about ways to use the money differently to reach financial goals. Let us know what you come up with. Email your budget busters and how you busted them to [hmurray@advantageccs.org](mailto:hmurray@advantageccs.org).*



# Advantage

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