# Advantage *advisor*

## Building An Emergency Fund

In January, we challenged you to take some steps to increase financial stability in 2014. One of those steps is building an emergency fund. If you haven't already done so, now is the time to make it a priority.

The first step to building an emergency fund is to routinely save a set amount of money and use that money only in case of an emergency. It might be helpful to set parameters as to what constitutes an emergency. Things like a car or house repair or unexpected medical costs. You don't want to use the emergency fund to make up for overspending.

Next you want to determine how much you're going to save and if it's a goal you can achieve. Take a good look at your budget and monthly expenses. Is there any way to reduce spending to increase savings?

Make your savings for your emergency fund a routine part of your monthly budget and only use the savings for designated emergencies. Having some back up money set aside will most likely keep you from putting the whole expense on a credit card or needing to take out a loan. If you need to dip into your emergency savings, do it, but make sure you continue to fund it monthly.

Consider using the Agency's online savings tracker at www.onlinebudgetadvisor.com to help you keep track of your savings.

## Dear Debt Monkey™

**Q:** How do credit report inquiries affect my credit?

**A:** When you pull your own credit report it is considered a "soft" inquiry. Your credit report shows your personal and credit information and you have the right to view that any time you like. Pulling your own credit report has no effect on your score.

If you apply for credit, like a car loan, credit card, mortgage, student loan, etc., then this would be considered a "hard" inquiry. Hard inquiries remain on your credit report for two years. The more inquiries you have on your credit report, especially in a short amount of time, the more likely it is to lower your score.

Keep in mind that when you apply for a car loan or a mortgage, the lender may check with a few different banks to get you the best possible interest rate. Each bank is typically considered one inquiry, but if all the inquiries are for the same thing and within a 30 day period, the total amount of inquiries should be viewed as one, regardless of how many banks the lender inquired with.

Since your credit report has vital "creditworthiness" information, it is recommended that you review this information yearly. You are entitled to a free credit report from each of the three credit bureaus (Experian, Equifax, and Trans Union) every 12 months. Visit www.annualcreditreport.com or call 1-877-322-8228 to order.

## *Tips*

It's been a long, cold winter, but spring is right around the corner. It's time to start thinking about spring cleaning. Here are some tips to spring clean on a budget:

- White Vinegar can be used as a replacement for most household cleaners. Mix one part vinegar with two parts water and use it to clean wood floors and glass windows.

- Save used dryer sheets and use them to dust or to clean computer and T.V. screens.

- Clean out while you're cleaning up. Get rid of anything you don't use or don't need any more. Try to sell it to make some extra money or donate it and get a receipt for next year's income taxes.

# Investing in Your Future

Part of increasing your financial stability is improving your earnings potential. Looking for ways to advance your career and increase your earnings will help you to better meet your needs in your budget. Maybe now is the time to start looking for new employment that will provide you with some breathing room in your monthly budget.

However, a job search is never an easy task, especially with approximately 10 million Americans unemployed. A job search is always easier to undertake when you're currently employed. There are some ways to increase your marketability and make yourself stand out as a candidate.

**Naming rights** – Be aware of how you present your name in your job communications. Ensure that your email address matches the name for which you're using for the job application. For example, if your email address has your maiden name, but you're married, change your email address so the two match. Also avoid cute email addresses, like SteelerFan6. Keep it professional.

**Keep it clean online** – In some cases, before calling candidates for an interview, employers are reviewing social media profiles. Remove irrelevant and silly things from your profiles. Avoid posting on polarizing issues and think before your post. Ask yourself the question, does this make me attractive to future employers?

**Spin your skill set** – Maybe your current position doesn't match up precisely with the position you're applying for. Think about the different tasks you have completed in your current job or projects you have managed and highlight those on your resume and in your cover letter. Relate these accomplishments back to how you would be a good fit for the position.

**Network, network, network** – Research professional organizations that match your future career goals and join. Meet likeminded individuals and learn about where they work and how they came to find their position. Without jeopardizing your current employment, let them know you're interested in hearing about opportunities to advance yourself in that particular field and ask if they have any advice for doing so.

**Add a skill or two** – Review job postings for positions you are interested in and see if there's anything you can do to boost your resume. If you're interested in a job that may require more computer skills than you currently possess, look into classes at a community college. Make sure the class is worthwhile and worth the investment. Consider other training that may increase your marketability.

**Increase job responsibilities** – Don't turn down additional job responsibilities at your current job. Always keep in mind that new projects managed or new skill sets acquired are resume builders.

**Count more than the salary** – When looking for a new position, usually the biggest motivator is an increase in salary. However, if you find a position that's right for you, but the salary is the same or slightly less than what you're making now, don't discount it. Consider other factors, like benefits, bonuses, potential for advancement, and travel time. These factors might make up for the difference in salary.

Sometimes, another important part of increasing marketability is cleaning up your credit report. Some Employers are including a credit check as part of the job hiring process. Before seeking new employment, check your credit report through the website, www.annualcreditreport.com and see if there are any issues on there that you may need to clean up. If you find your credit report confusing, call Advantage CCS at 888-511-2227 and schedule a session to learn how to read your credit report and steps you can take that may help you improve it.

## The Advantage Challenge

*Advantage CCS challenges you to...take the necessary steps to build an emergency fund. Determine how much you can put towards the fund monthly and make it happen. Adjust spending if necessary and make it a priority to set aside money for when the unexpected happens. Set a policy for using an emergency fund and make sure it doesn't serve as a backup for overspending. Let us know how you do. Email hmurray@advantageccs.org with your results.*