

THE CONSUMER  
ADVOCATE

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## WHAT'S YOUR NEW YEAR'S RESOLUTION FOR 2006?

**What's your New Year's Resolution for 2006?**

Is 2006 the year you are going to start saving for college for yourself or your children? Or is it the year you are going to start contributing to your 401k at work or open up a retirement fund? How about finish paying off those credit cards that are enrolled in the DCC debt management program or the ones you are paying off on your own? What about that vacation you have been planning on taking since 2000? The time is now to set your New Year's resolutions and then stick to them!

A New Year's resolution is just like any other goal you set for yourself, but the New Year generally prompts us to want to change something in our lives. Take the time to sit down and dream about what you want to do in 2006. You can do almost anything you put your mind to! Determine what you want to accomplish and *write it down*.

By defining your personal, financial, educational, and career goals in a positive way you are making them real; they are no longer abstract and easily forgotten. Now place these written goals in a place where you will see them and be motivated by them daily. Setting these concrete goals will help increase your ambition, raise your self-confidence, and increase the likelihood of achieving them.

Next, create a plan. Take one goal and break it down into smaller goals that can be completed daily, weekly, or monthly. For example, the task of saving money may appear unattainable at first, but break it down into smaller goals. If you decide that your goal is to save for retirement, decide how much money you want to save for retirement in 2006. After you determine a set amount of money, then decide on how you are going to begin working to-

wards your goal of saving that amount. How much money can you reasonably put away each week?

Do not set a goal so low that you know you can achieve it easily. You are going to have to work hard a little harder in order to achieve your goal and you are going to need to feel motivated. If you can easily afford to save \$5 per week, make your goal to save \$10 per week. If you can not afford to save \$5 per week, start with a smaller goal. It is easy to be overwhelmed when you determine your ultimate goal and estimate how long it will take you to accomplish, but be excited that you are taking control of your life ambitions! You have the ability to accomplish all of your goals, but you have to start small in order to win big.

Reward yourself each time you fulfill one of your dreams you have worked hard to achieve, even if it is something simple.

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## THE TRUTH ABOUT PAYDAY LOANS

**The Quick easy way to  
get cash in one hour!****Your loan will always  
be secure!****Holiday Loan Special!**

With these catch phrases who wouldn't be intrigued with payday loans? Does it seem too good to be true? Well that's

because they usually are. Most of us have had tough times where we did not have enough money to pay off all of our monthly bills. The question is, What do you do when this situation arises?

When we are feeling a lot of financial pressure, a payday loan doesn't seem like such a bad idea. You can get the money you need and not have

to tell anyone close to you that you are struggling financially. You have cash in hand and your stress seems to diminish. But be extremely cautious when entering into a payday loan. Here are some of the ins and outs of payday loans that they only tell you in the fine print. You will be shocked at what you read!

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## NEW YEAR'S RESOLUTION (CONT)

You deserve to celebrate your hard work, but don't stop there...Set another attainable goal for yourself!

Achieving your goals will be a long process and it may be challenging at times, but your sense of accomplishment will be well worth it when you are able to say "I did it!" and experience the benefits.

Whatever your New Year's resolution is, at DCC we're here to help. If you need any assistance defining your goals, give DCC a call at 1.888.354.6332. Don't let

this be the year that your New Year's resolutions are forgotten within the month.



## PAYDAY LOANS (CONT)

- Payday loan contracts are often confusing. Read the entire contract and ask questions on anything that is unclear!
- The average fee for a payday loan varies from \$20 to \$25 per \$100 you borrow. It may not seem so bad, but the interest rate you are charged is approximately 520% APR. Would you ever sign up for a credit card with that interest rate?
- If you get a payday loan, you can pay off last week's bills. But did you count on missing that money in your **next** paycheck? Most people do not, and then they need to apply for **another** payday loan.
- The payday loan company says "Great, no problem we will give you another loan". Then the money you owe from the previous payday loan has to be paid back with your current payday loan, and you are charged another \$20-\$25 fee.
- The cycle will continue. You will most likely always need another payday loan in order to pay off your last payday loan, and you are always right back where you started from.
- Then the telephone calls begin. You will remember the application process when you wrote down all of your information of family, friends, even your employer and now the payday lender may start harassing you. Victims of payday loans say that the phone calls from these agencies can be worse than calls from collection agencies in terms of frequency and intimidation.

Conventional wisdom regarding payday loans: If you do not have the money to pay your bills with this paycheck, you will probably not have the money to pay your bills and your payday loan with your next check. **So avoid payday loans!** There are other options available to you!

- Re-work your budget and temporarily cut out on some luxuries
- Get a second job to help you over your financial hump
- Ask a household member to contribute some money to the bills
- Consider refinancing your house or car to pay these bills
- Add your bills to a debt management program at DCC
- To avoid ever being tempted to use a payday loan, create an emergency fund. Experts agree you should have at least 3 to 6 months worth of income set aside in case of unexpected financial problems. Put a set amount of money away each week to save for these emergencies. You never know what life has in store for you.
- If you find yourself in a sudden financial crisis, payday loans are usually not the answer. Call DCC. We're here to help. We will do everything we can to assist you during your financial hardship.

## IF THE HOLIDAYS ARE OVER, WHY AM I STILL PAYING FOR THEM?

Did the holiday season hit you hard this year? Budgeting for the holidays is not an easy task because there always seem to be expenses that are overlooked. We may then find ourselves in a financial squeeze trying to recover from the holidays. This cycle has happened to most of us, so let's break the cycle now and avoid being strapped during next year's holiday season. It may seem far away, but the 2006 holiday season will be here before you know it!

Experts suggest that consumers should not spend more than 1.5% of their gross salary on holiday shopping. This figure may seem high or low depending on your current income level.

To begin to decide how much money to save for the 2006 holiday season write down what you spent on the 2005 holiday season. Consider gifts, holiday travel, company parties, and any other expenses that you had incurred for 2005. Expect to spend a similar or slightly higher figure in 2006 and begin to save now. Determine

how much money per week you need to set aside in order to have a sufficient figure when it comes to the holidays. Set it aside in a saving account so you can earn interest on it. After all, who does not want free money from the bank? Another avenue to save for the holidays is through a Holiday Club that is generally offered through local banks. Holiday clubs require you to deposit money into a savings account where interest is earned throughout the year and then you can take the money out as the holiday season approaches. If you decide to open up a holiday club account be cautious and shop around. Some holiday clubs charge a fee if money is withdrawn earlier than the winter holiday season.

It is never too early to start saving! If you need any assistance please call us at 1.888.354.6332.

### Celebrity \$ense

**"If saving money is wrong, I don't want to be right!"**

**Actor William Shatner**



## HUNGRY? THEN DON'T SHOP!

Have you noticed that your grocery bill is slowly getting higher and higher? Have you noticed that some of your staple grocery items are more expensive by a few cents? Now you may think "What's ten cents here and fifteen cents there?" But when you get to the checkout line, your regular bill may be ten dollars higher than it has been in the past! We have some tips on how to save at the grocery store in the new year.

- **Never shop hungry!** We all have a tendency to spend more money at the grocery store when we are hungry, buying the foods, (which are usually unhealthy), that we want to eat immediately. Find a good time to shop when you are not hungry.
- **Clip coupons and don't forget to use them!** Coupons are a simple way to reduce your grocery bill, but don't buy items you don't need simply because you have a coupon. Most grocery stores offer discount cards as well and all you need to do is register your name and address. Take advantage of these offers to save a little extra money.
- **Plan your meals** around what is on sale or the coupons that you have. This can ensure that your meals will be purchased at the lowest price possible.
- **Check the lower shelves!** Brand name products pay a lot of money to have their merchandise placed at eye level to grab your attention, but remember that there is similar non-brand merchandise on the lower levels that cost less. Try purchasing the generic brand items, you may find that they are even tastier than the brand name products you are accustomed to.
- **Avoid buying snack foods.** Snack foods are tasty, but they have little nutritional value and are expensive. If you can't cut out the chips completely, cut down on how many bags are purchased and try and shop the sales.

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Visit us at  
[www.debtcounselingcorp.org](http://www.debtcounselingcorp.org)

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*Banking Department*



**A T D C C , W E ' R E H E R E T O H E L P .**

Our educational mission is to teach the general public ways to reduce and control debt. We accomplish this by providing individualized, ongoing counseling, and by conducting frequent in-house seminars as well as community outreach activities. We strive to help all consumers develop the skills they need to maintain a dignified lifestyle throughout their lifetime.

## **HUNGRY? THEN DON'T SHOP (CONT)**

- **Don't purchase pre-packaged foods.** Pre-packaged foods are generally more expensive to buy than if you were to make the meal from scratch.
- **Don't shop at convenience stores.** Convenience stores mark-up their products higher than grocery stores.
- **Check to see if there are any food outlet stores and food co-operatives in your neighborhood.** These stores will offer brand name items at a discounted rate and you can always freeze leftover food.

Saving money at the grocery store is easy to do as long as you have the time to sit down and prepare to grocery shop before you go. If you are having difficulty paying for your groceries or are unable to purchase the basic necessities call 1.800.221.5689 for information on food stamps or visit the website at <http://www.fns.usda.gov/>.