



DOES YOUR
FINANCIAL SITUATION
SCARE YOU?



Consolidated Credit Counseling Services, Inc.

5701 West Sunrise Boulevard

Fort Lauderdale, FL 33313

1-800-210-3481

www.ConsolidatedCredit.org

Congratulations on taking this important step to learn about personal finance issues. Consolidated Credit Counseling Services, Inc. has been helping Americans across the country solve their credit and debt problems for more than a decade.

*Our Educational Team has created over twenty publications to help you improve your personal finances. By logging on to **www.ConsolidatedCredit.org** you can access all of our publications free of charge. We have the tools to help you become debt free, use your money wisely, plan for the future, and build wealth. The topics Consolidated Credit addresses range from identity theft and building a better credit rating to how to buy a home and pay for college. On our web site, you will also find interactive credit courses, a debt calculator, a personalized budgeting tool, and much more.*

*We are dedicated to personal financial literacy and providing a debt-free life for Americans. If you are overburdened by high interest rate credit card debt, then I invite you to speak with one of our certified counselors free of charge by calling **1-800-210-3481** for free professional advice. We also have partnership programs available where groups, businesses and communities can hold financial workshops and receive free money management guides and workbooks like the one you are reading now. Please call **1-800-210-3481** if you would like to discuss pursuing a personal financial literacy program.*

Sincerely,



Gary Herman
President

Consolidated Credit Counseling Services, Inc.

Does Your Financial Situation Frighten You?

Are you having trouble making ends meet each month? Do you find that your spending often spins out of control? Is it nearly impossible to save or invest money? The secret to financial well-being is not always in black and white.

You know that the credit card bills will be arriving in the mail and that you will have to find a way to pay them. But problems arise each month – you either incurred more debt or have run out of money before you could make the proper payments. Plans for saving or investing extra money have, once again, disappeared as fast as your pay check. This is a frightening situation and all too common for many families. The following are tips on how to brighten your financial future.



So you don't think you have enough money to invest or make ends meet each month? It's time to get real about spending and saving money. Almost everyone has something they can give up without much pain or sacrifice. How about that pricey, specialty coffee most people treat themselves to every day? At \$4 a cup, you could save close to \$120 a month. Investing that money every month for ten years into an account

earning 10% annually would net you nearly \$25,000. Maintain that until retirement, and you'd have more than \$765,000 in 40 years. In his book, *The Automatic Millionaire*, David Bach calls this the "latte factor." But it really isn't about coffee at all. Rather, he says, it's about identifying those small purchases that dribble your money away -- whatever they may be -- so you can save big over the long term. Use a calculator to see how quickly small investments can add up.

When you're trying to reduce your credit card debt, you'll be more successful if you avoid charging in the meantime. To resist the temptation, think of creative ways to fool yourself into thinking your credit cards are not available.

Remove them from your wallet. Hide them in the bottom of your sock drawer, or entrust them to a friend or relative for safekeeping. You could even place them in a bag of water and throw it in the freezer -- you'd have to wait for it to melt before you could use it, which would hopefully be long enough for your impulse to pass.

Looking for a foolproof way to keep your spending under control? Try putting cash away in envelopes in categories so you can see how much you're actually spending. For example, use one envelope for groceries, another envelope for gas and transportation, another envelope

for eating out or entertainment. Then when you run out of money in each envelope, you simply don't spend any more until next month. Be tough on yourself and disciplined--it will pay off in the end when you discover how to maintain your spending.



Sometimes you forget to write a check or you run out of stamps so you couldn't mail your payment on time. These things do happen. There are numerous reasons for forgetting to make a payment or paying a bill late, but the consequences are a black mark on your credit rating. Thankfully, many banks will allow you to sign up to have all your bills taken directly out of your checking account, including your credit card, cell phone, utility and cable bills. Some banks may charge a monthly fee for the service.



Or, you can probably make individual arrangements with each one to take the money directly out of your checking account. This requires some work on your part, but once you set it up, you can forget about it. Using an automatic bill pay service for your credit cards specifically is also a good way to reduce your balance quicker.

Get tough with your credit card representative and ask for a reduced interest rate. If you have a good credit score and history of on-time payment, this may work. A five-minute call to your lender could save you hundreds



of dollars on interest charges and help you pay off your debts sooner. The U.S. Public Interest Research Group asked 50 consumers of varying credit backgrounds to call their lenders and ask for lower rates. The strategy worked for more than half the group, with the average rate reduction

going from 16% to 10.5%. The interest rate reduction on a \$2,000 balance would save you nearly \$200 over 2 1/2 years. Credit card companies spend hundreds of dollars trying to acquire new customers, so they may be willing to negotiate to keep your business, says Howard Dvorkin, founder of Consolidated Credit Counseling Services, Inc. It certainly doesn't hurt to ask.

Not many things feel as good as having enough money to put into your savings and investments and, perhaps eventually, retiring a millionaire. It could happen.

All you need to do is sign up to have a fixed amount automatically taken out of your paycheck to go directly into savings or investments. When you pay yourself first, you won't even miss the money after it's gone.

An employer-sponsored 401(k) is a great choice, especially if your company offers a free match on the money you put in. You also could arrange with a broker or mutual fund company to have a set dollar amount transferred from your checking account each month into a Roth IRA. There will be no checks to mail, no stamps to buy, and no more “things” to pile on your already busy schedule. It's automatic. Forget it and save! All it would take for a 25-year-old to retire a millionaire is \$158 per month invested in an account earning 10% annually.



If you religiously save for reoccurring expenses, you can reduce or even stop using your credit card when expenses arrive. Set up several high-yield savings accounts with one online bank and arrange for automatic deposits into those accounts on a regular basis. You can organize a car insurance fund, a holiday gift fund and a vacation fund. Each account will be linked to your checking account at your regular bank. You can transfer money in and out easily online for free. If you automatically save a little money on a regular basis, it doesn't take much to build up a good chunk when your big expenses come due.

Our short-term memory is usually our biggest foe when it comes to making financial decisions. We get impatient when our investment balances don't grow as quickly as we'd like, or our friends seem to be having more financial success than we are. And of course, we get frustrated and mad at this snail pace and decide to do the worst thing, go on a spending bender. Instead of letting the pressure lead you to make an impulsive decision, sit down and discuss your finances with your spouse or someone you trust. This helps to keep your long-term goals in focus.

Define your goals, such as saving for a down payment, starting a retirement fund and taking an annual vacation. Then set up plans to reach those goals. Having that accountability with someone (a spouse, best friend, family member) helps motivate you to stay on track.

Are you expecting a raise this year? Pretend you're not. By keeping your standard of living the same and not increasing your spending with each bump in pay, you can pocket the extra money and use it to reach your goals. The same goes for that year-end bonus or tax refund. If you're making \$40,000 and you get a 3% raise, that's an extra \$100 per month before taxes are taken out. Even after Uncle Sam takes his share, you'll have plenty left to do some good. For example, it only takes a few extra bucks to start your emergency savings, begin investing or pay extra toward your credit card debt. You could

even use the money for something fun. Begin saving for that dream vacation to Europe or that tropical paradise that you have been wanting to visit.

And if you are not getting a raise this year take the bull by the horns and make something positive happen. You could get hundreds of dollars added to your take-home pay each year simply by telling Uncle Sam not to take so many taxes out. Most of us give the government too much upfront -- that's why we get tax refunds in the spring. Take back your money and use it throughout the



year instead to help you make ends meet

Even if you can't use all of these tips, try out a few to see what works best for your situation. And then you can build toward a future that is not so frightening.



CONSOLIDATED
CREDIT COUNSELING SERVICES, INC.™
When debt is the problem, we are the solution.

About Consolidated Credit Counseling Services, Inc.

Consolidated Credit Counseling Services, Inc. is a consumer oriented, public education organization. We are an industry leader in providing credit counseling and debt management services throughout the United States.

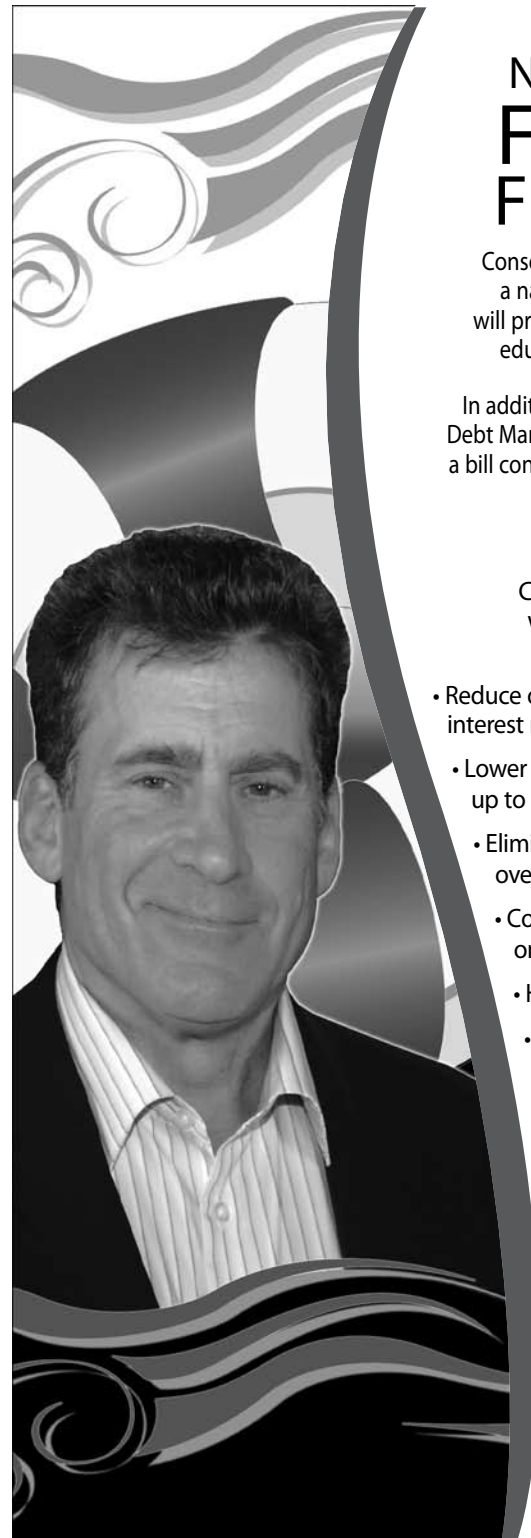
Our mission is to assist individuals and families end financial crises and help them solve money management problems through education, motivation, and professional counseling.

We are dedicated to empowering consumers through educational programs that will influence them to refrain from overspending and abusing credit cards, as well as to encourage them to save and invest. We sponsor local free seminars that are also available to any group or organization that requests our educational services.

Our professionally trained counselors have assisted thousands of families across the United States. Regardless of whether your financial problems are due to the purchase of a new home, birth of a child, major illness, or any other circumstance, we can help.

Our organization is funded primarily through voluntary contributions from participating creditors. Our programs are designed to save our clients money and liquidate debts at an excellent rate.

Consolidated Credit Counseling Services, Inc. is a member of the Better Business Bureau, the United States Chamber of Commerce, the Greater Fort Lauderdale Chamber of Commerce, the Association of Independent Consumer Credit Counseling Agencies, and the International Credit Association.



Now you can find **FREEDOM FROM DEBT!**

Consolidated Credit Counseling Services, a nationally recognized organization, will provide you with professional financial education, counseling and resources.

In addition, you can benefit from customized Debt Management Programs, which incorporate a bill consolidation plan to help you regain your financial freedom.

Our professionally trained Certified Public Accountants will negotiate directly with your creditors to:

- Reduce or even eliminate interest rates!
- Lower monthly payments by up to 50%.
- Eliminate late charges and over-limit fees.
- Consolidate debts into one lower payment.
- Help you pay off debt faster.
- Rebuild your credit rating.
- Save you thousands of dollars.
- Get you on a plan to be debt free!



Call today, and take your first step toward financial freedom!

1-800-210-3481

or visit www.ConsolidatedCredit.org



You can be debt free



There is help waiting for you now.

- Reduce or eliminate interest charges.
- Consolidate credit card bills into one lower monthly payment.
- Pay off your debt in half the time.
- Save thousands of dollars.



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