

Defeat Debt

Credit Advisors Foundation

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The Real Story: Credit Advisors Debt Management Plans Answer Financial Planning Worries

According to a recent national survey, Americans say they live comfortably but their worries about personal finances have increased.

In an effort to decrease the stress of worry and prepare for the future, more Americans are working to develop financial plans.

All financial plans, regardless of how elaborate or detailed, are based on the same two-prong approach.

Spend less.. Save more.

Participating in the Credit Advisors Debt Management Programs puts you steps ahead in the financial planning race!

Delivery of the spend less and save more plan is

developed through budgeting, eliminating



A DMP can be an intrinsic part of a workable financial plan.

waste, decreasing debt, goal setting, and savings programs. In a Credit Advisors DMP, a budget is determined at the initiation of the program, seeking to eliminate waste, goals are set and the principle purpose of the program is to decrease debt. Simply stated, completing the Debt Management Program, enables a financial planning consumer to meet four out the five guideposts.

Continued efforts to eliminate waste, to spend less, will require a complete examination of spending habits and motivations. Just like a business, you must review your inventory. Do have you possessions you paid too much for, didn't really need or are already bored with and no longer use? Do you have possessions you called 'great buys' when purchased, (CONTINUED PG. 2 (SEE: PLANNING))

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CAF Credit Counselors Recognized for Professional Excellence

Credit Advisors Foundation client care and enrollment credit counselors recently received national recognition for quality of service and commitment to consumer education. Professional certification was awarded by Arbor Investment in Financial Education to a number of CAF staff members. Certification is an annual award to acknowledge superior training, debt management knowledge, as well as, high ethical standards.

Recipients of the certification award must also demonstrate exceptional communication skills, appreciation of client dynamics, client/counselor relations and advanced risk reduction skills and abilities.

Congratulations to all recipients!

Back to Budget Basics

If you're old enough to remember when full service gas stations were the 'norm', you'll also remember when using the self-serve gas pump seemed daring and avantgarde. We've come a long way to show we are independent, self-reliant, determined and money smart. As the cost of living increased, consumers adjusted. The 1980's found consumers deciding just how much money we were willing to pay for convenience, the latest trends and instantaneous results, while the 1990's found us determining how much **time** we were willing to commit to getting the best price and saving money. Now, it seems that simply making ends meet requires a 24/7 life-commitment to fiscally responsible living, researching money saving tips and lowest prices, with no slip ups.

So why is everyone so afraid of the B word. **Budget** (gasp!). Individuals, families, corporations, and governments seem to have developed similar budget baggage. Here are a few examples of common budget plans.

The Simple Flow Budget: The money comes in, and the money gets spent.

The 007 Budget: So secret, no participating party has any idea what it is. (We could tell you, but then...).

The Neighborhood Watch Budget: See what your neighbors do and do the same.

The Brad Pitt Budget: we have no idea, but we like Brad Pitt.

Sorry folks, these are excuses, not budgets.

As a consumer community, we choose to view a budget as a strict financial diet rather than the *special menu to the event of the season*. We perceive budgeting as a loss of freedom and pleasure and decidedly un-fun. But left to ourselves, most people spend 10% above their income, resulting in more debt.

Creating a workable budget does a lot more than help you get control of your money. A budget helps in the development

and realization of short term and long term goals. It also allows you to get a grip on the habits (both thinking and spending) and the beliefs that can sabotage your budget and the achievement of your goals. Budgets don't work for three different reasons.

1. Guessing-a lack of accurate data to formulate budget. Collect accurate data for a realistic plan.

2. Adjustments-budgets are living breathing things, change is inevitable and budgets must be adjusted in a timely manner.

3. Giving up too soon-most common problem, going over the budget by 10%. (There's that 10% again). *This budget is still workable.* The budget must be reviewed and adjusted. Focusing your strategy on the area of budget where the greatest overage occurred will be necessary.

Most of all, don't give in. Accept the challenge. Be creative with your budget planning. It may not be giddy fun, but mastering your budget can bring you **big rewards** as you reach your goals.



Accept the budget challenge!

Individuals, families, corporations and governments seem to have developed similar budget baggage.

Planning (continued from page 1)

but now are unable to remember why? Do you periodically examine your spending, looking toward eliminating waste? Do you analyze your living expenses to see where savings could be realized? If not, there are some adjustments you may want to make.

Learn to distinguish between wants and needs.

Needs are necessary to sustain family life (food, shelter, clothing), while wants enhance or improve family life. It is critically important that you do not deceive yourself into believing that a want *is* a need. Many budgets are broken by this mistake and it is a recipe for financial disaster.

Before making big ticket purchases borrow, rent or tryout the item to eliminate 'want' purchasing.



Create a financial plan to reach your goals

Start a saving program. Talk to your employer about pre-tax savings programs. Remember: pay yourself first. Don't worry that the amount is too small. The habit of saving will be created, regardless of the amount. Remember, \$50 a month for 25 years at a 5% yield would grow to \$30,000. Not only does the DMP program assist you in decreasing debt, it also helps to develop the habit of setting a specified amount of money aside each month. Once debt is paid in full, those funds can easily be contributed to a more extensive savings plan.

Each of the first four guideposts will assist you in the fifth. Setting and reaching your goals will motivate you toward progress. Talk to your credit counselor about the short and long term goals of your DMP. So, stick to your plan. Get out of debt with Credit Advisors and continue your efforts toward a workable and growing financial plan.

Word Search * Word Search* Word Search * Word Search

Credit Advisors and Financial Planning

Although, the challenge to create a financial plan can be a lot of work, it doesn't have to be drudgery. Your Credit Advisors DMP gives your financial plan a jump start and direction. Make use of the financial educational materials available through your credit counselor to increase your knowledge and skills. Through determination your plan will come to fruition. Word Search this month for expressions related to Financial Planning.

BUDGET FINANCIAL SAVE
 CHALLENGE INVENTORY SPEND
 CHANGE MONEY TIME
 COUNSELOR NEED WANT
 DEBT PLAN

F A R B U D G E T
 C I L C P D E B T
 H T N H L C H S C
 A Q E A A I N D O
 L X K N N E E D U
 L E D G K C T V N
 E V Y E J U I W S
 N A W F B C M A E

Kid's Korner

The Change Game

Object of the game: How to give and receive change.

What you'll need: Four small shallow boxes, five dollars worth of change, a five dollar bill, and a bag of non-perishable groceries with a 'price tag' on each item.

How to play: Set up the boxes and separate the change into pennies, nickels, dimes and quarters. Start this game with your child as the cashier and you playing the customer. Choose one item in the grocery bag to purchase. Give your child the five dollar bill and the item and help them give you the change. Exchange rolls and play again. As your child becomes more comfortable, gradually

increase the number of items you purchase. Variations: To make determining the correct change a little more interesting, have your child create 'coupons' for your grocery store or decide on 'sales'. (If you set up a sale at three for a dollar, explain to your child why the price would not be thirty-three and one third cents but would be rounded up to thirty-four cents.) Another option would be to intentionally attempt to purchase more than your allotted funds. Have your child help you determine what must be put back, to keep the total under five dollars.

Tips Tips Tips Tips Tips

Even if using coupons, don't forget to comparison shop. Other brands, including generic brands may beat the price of the name brand, even with the coupon. Of course, don't buy anything just because you have a coupon.

Avoid shopping at convenience stores. **You pay** for the *convenience*. (See Back to Basics, pg. 2)

Cook your own food instead of eating prepared food. (The more processed—the more treated or handled



Leftovers make great soups and stews.

by someone other than you—food is before it gets to your table, the more expensive it is per serving).

Be creative with leftovers. Combine to create new meals (soups or stews) or have Thursday night 'Buffet' and eat up the extras as a *sample platter*.

- Shop at the store that is least expensive overall. Identical grocery orders purchased in different stores may vary as much as 10 to 15%.

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We're on the Web!
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Get out of debt, with no regret!



The Kitchen on a Dime

Slow cookers can be the budget-conscious cooks best friend. They prefer less expensive cuts of meat, and produce moist tender meals. Since they require less electricity than conventional ovens, they do not over-heat up your house like an oven or stove can.

Country Scalloped Potatoes and Ham cost \$1.13 per serving at the neighborhood market. Yield: 10 servings.

Country Scalloped Potatoes and Ham

8 potatoes, thinly sliced

1 onion, chopped

1 lb. Fully-cooked ham, cubed

1 oz. Pkg. dry country-style gravy mix

10.5 oz can cream of mushroom soup

10.5 oz, can cream of celery soup, and enough water to equal 2 cups

2 cups shredded cheddar cheese

Lightly grease slow cooker

Layer 1/2 potatoes, onion and ham in cooker

Top with half of cheddar cheese

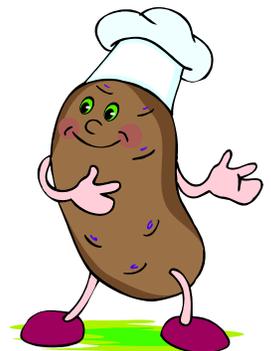
Repeat layers

Combine gravy mix, soups (and water). Whisk until combined.

Pour over potato layers

Cover. Cook on Low 7-9 hours, or High 3-4 hours.

1. Sprinkle individual servings with paprika



Mr. Potato contributes to low cost, filling, and tasty meals