



Shopping & Saving

**A free publication provided by
CreditGUARD of America, Inc.
a non-profit educational credit counseling and
debt management organization.**

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CreditGUARD of America, Inc. is a consumer oriented, non-profit, tax exempt, 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, Certified Credit 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 debt at an accelerated rate.

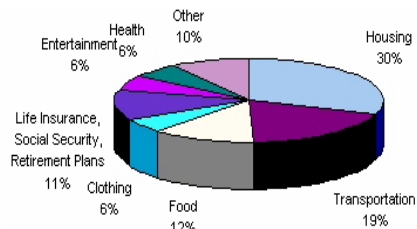
CreditGUARD of America, Inc. is a member of the Palm Beach Better Business Bureau, the Boca Raton Chamber of Commerce, the Association of Independent Consumer Credit Counseling Agencies, and certified by the prestigious International Standards Organization.

Where Does Your Money Go?

Budgeting is perhaps the best way to save and spend more wisely. To monitor your spending habits better, keep a record of the money you spend during a one-month period. Then answer the questions below:

1. What patterns can you see in your spending habits?
2. How do you decide what to purchase?
3. What factors influence your purchasing decisions?

How Americans Spend Their Money



Source: The U.S. Bureau of Labor Statistics

Before You Spend Your Hard-Earned Cash...

The next time you're tempted to buy something, stop and think about the following:

- Do I really need this item?
- Is it worth all the time I spent making the money to pay for it?
- Can I use my money in a better way right now?
- Do I really need to buy the priciest item or will a lower-cost item serve me just as well?
- Can I really afford this right now?
- Will the item be on sale soon? Should I wait?
- Do I really need a name-brand item, or will a store brand serve my purposes—and save me money?
- What do consumer magazines say about the item I'm considering?
- Do I know anyone who already owns this item? Do they think it was worthwhile to buy or do they regret their purchase?

Tips for Spending Smarter

- Pay yourself first. Set up a separate account for savings, and immediately transfer a portion of your salary to the account each pay period. Consider this account to be off-limits, except in the case of an emergency.
- Apply any extra income toward paying off debts.
- Try to save on insurance. Review your policies to avoid duplicate coverage. Consider raising your deductibles; talk to your insurance agent about other ways to save.
- Start saving \$1 per day. Save your pocket change too.
- Don't buy on impulse. Purchase only the items you originally planned to get. Limit the amount of cash you carry as well as the number of credit cards.
- Wait for sales, and comparison shop. You can save 50% or more by doing so.
- Make two shopping trips before you buy. On your first trip, compare prices. Then, after you have made a thoughtful decision as to an item's price and value, go back to the store a second time and make your purchase.
- Use coupons and rebates as much as possible.
- Shop at consignment shops, and consider rebuilt and pre-owned items.
- Save money by doing things yourself. Cut your own lawn, for example, or wash your own windows.
- Conduct family meetings each week to discuss ways that you as a family can save money and get out of debt.

Shopping by phone, mail, or online

- When you buy items by mail-order, companies are required to ship your order within a set period of time. If the item is not available, the company must advise you and give you the option to either wait or cancel your order.
- Buy only from companies you know and trust.
- Ask about the company's refund and return policy.

- Determine the shipping and handling charges.
- When shopping online, use a secured browser, keep your password private, pay by credit card, and keep a record of your transactions.

Ways to Save Money...

Transportation

Airline Fares

You can reduce the price of a roundtrip ticket by as much as two-thirds if your trip includes a Saturday night stay-over and you purchase your ticket in advance. Always ask your travel or reservation agent if you're getting the lowest fare. Watch for price wars, sales, and special offers (such as "Friends Fly Free"), and be prepared to act quickly.

Car Rental

Car rental rates vary greatly; shop around for the best basic rates and special offers. Check with your insurance agent and credit card company to see what type of coverage you have. That way, you can avoid paying for duplicate insurance coverage.

New Cars

You can save thousands of dollars by choosing a model that has a low purchase price, low financing, and reasonable insurance rates. Purchasing a car that has good gas mileage and low maintenance and repair costs can save you a great deal of money in the future. You can find new car guides that offer great advice in your local library. Comparison shopping for an automobile can save you hundreds of dollars. Call at least five dealers for price quotes, and let each know that you are calling others.

NOTE: Do not let dealers pull your credit report until you have agreed upon a price! Too many inquires can look bad on your credit report.

Used Cars

Before buying a used car, compare the asking price with the blue book price. You can access blue book prices on-line at www.kbb.com. Have a trusted mechanic check the car, particularly if the car is being sold without a warranty. Consider buying a used car from a person you know and trust; he or she might be more inclined to charge a lower price and/or point out any problems with the car.

Leasing A Car

Leasing a car isn't right for everybody. Here are some guidelines to use when you're considering leasing:

- Don't be tempted to lease a car just because the payments are lower than on a conventional auto loan. Lease payments are arrived at by using a complicated formula involving the purchase price, your downpayment or trade-in, monthly payments, and term. Other charges, such as fees for excess mileage, excess "wear and tear," and the purchase option price at the end of the lease factor in as well.
- Try to keep your term less than four years.

- At the end of your lease, you will need to either:
 - a) Return the vehicle to the lessor;
 - b) Trade your leased vehicle for a new one. If you have equity in the car, it shouldn't cost anything to trade in. (This will typically not be the case until you are at or near the end of your lease); or
 - c) Purchase the vehicle from the lessor for the residual value stated in your lease agreement, plus any additional fees you owe.

Auto Loans

If you have money in the bank that's earning a low interest rate, consider making a large downpayment or even paying for your car in cash. This could save you hundreds of dollars in finance charges.

Shop around for a low-interest loan. Contact several banks, your credit union, and the auto manufacturer's own finance company. You can also check www.bankrate.com for the best current deals.

Car Repairs

Every year, Americans spend billions of dollars on unnecessary or improperly done car repairs. Make sure you use a skilled, honest mechanic. Look for a mechanic who is certified, well established, and has done good work for someone you know, and make sure you get a written estimate before work is done.

Insurance...

Auto Insurance

Your state insurance department has publications showing typical insurance rates charged by companies. Call four of the lowest priced, licensed insurers, and compare their prices for similar coverage. Ask your agent or insurance company about raising your deductibles on collision and coverage to at least \$500, or, if you have an older car, consider dropping this coverage altogether.

NOTE: You can also save money by obtaining auto insurance and home insurance from the same company; many companies give discounts. Ask your agent or insurance company if any other discounts are available.

Homeowner Insurance

By purchasing homeowner's insurance from a low-price, licensed, and insured company, you can save \$100 or more each year. Ask your state insurance department for publications showing typical prices charged by different licensed companies. Then call four of the lowest-prices companies and ask for a quote. Make sure you buy enough insurance to replace your house and its contents. Ask your agent or the insurance company if you qualify for any discounts; newer homes and homes with security systems, for example, qualify for discounts.

Banking/Credit...

Checking

You can save over \$100 yearly in fees by opening a

checking account with a minimum balance requirement that you can meet. Banks frequently will drop or lower fees if your paycheck is directly deposited by your employer. Direct deposit offers other advantages as well; it's easy, secure, convenient, and gives you immediate access to your money.

Savings and Investments

Before opening a savings or investment account, ask if the account is insured by the federal government. Many investments, such as annuities and stocks, are not insured. Certificates of deposit (CDs) and treasury bills or notes often earn the highest return with little or no risk, although you will lose access to the money for a period of time. Once you decide on a particular type of investment, compare rates offered by different institutions. These rates can differ and, over time, can considerably affect your return.

Credit Cards

Interest rates on credit cards are high. You can save hundreds of dollars a year in interest payments by paying your bill in full each month. If you can't, find a low-interest card. If you have a large balance on your cards and just can't seem to pay it off, then consider our Debt Management Program.

We may be able to consolidate your debt, lower monthly payment commitments, and negotiate lower interest charges. Generally, clients see 25% to 50% in monthly savings on interest charges from our negotiations with creditors. To find out if you qualify for our Debt Management Services, call 1-800-838-7132 for a free, no obligation consultation.

Major Appliances...

Purchase reliable appliances from reputable manufacturers. To learn more, consult Consumer Reports Magazine or its website (www.consumerreports.org) for information about particular brands, their reliability, and energy usage.

After you have chosen a particular brand, locate several stores that carry it (either look in the phone book

or consult the manufacturer's website for dealers). Call 3 to 4 dealers to get price quotes on the model.

Utilities...

Electricity

To save on your electric bill, purchase the most energy efficient appliances you can afford. The energy efficiency of major appliances is found on the Energy Guide Labels affixed to each one; these labels are required by federal law. To cut electric bills, remember to turn off lights and ceiling fans when you leave the room, and run dishwashers and washing machines only when full.

Heat & Air Conditioning

A home energy audit can show you ways to save money on home heating and air conditioning. Your electric or gas company should do an energy audit for little or no money. Setback thermometers are also a great way to cut your heating and air conditioning bills.

Telephone Service

Check with your phone company to see whether a flat rate or if a measured service plan will cost you less. You can save money by buying your phones instead of leasing them. Check your local phone bill to see if you have optional services you don't really need to use. Each option you drop could save you \$40 or more each year.

Long Distance Telephone Service

Evening or weekend long-distance calls cost significantly less than weekday calls. If you make more than a few long-distance calls each month, consider signing up for a calling plan. Check with several different long-distance companies to see which has the least expensive plan for the type of calls you make. Whenever possible, dial your long distance calls directly; having the operator complete a call can cost you an extra \$1 to \$3 per call.

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Get Your Credit Back On Track!

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