

Build Your Net Worth

News & Tools ~December 2005

Rethinking Gift Giving

By Sherry Ridge

This time of year is one of the most stressful times on our pocket books, families and relationships. The majority of this stress comes from overspending on the gifts we give to those we love and to those we don't.

By following the advised steps below you can reduce your stress and in some cases start the New Year off better financially than you did last year.

The first thing you need to do is revise your list. Who are you buying gifts for and why? How can you minimize the gifts you buy? One way is to start a grab bag, whether for work, family or friends. Another is to cut out the adults or go for family gifts.

Second you need to set a limit, put together a gift budget and stick to it. As long as you



don't wait to the last minute and basically shop all year long you can easily stay within your budget. In the fall toy stores tend to have buy one get one free on board games, this is a great family gift.

Third you need to really look at those on your list and give thought to what it is they really could use.

Many times the people in our lives don't need more stuff, they need is a break, a kind word or a helping hand.



Giving a gift or service is one of the best gifts I have ever received and given. Most times than not price to give a gift of service is minimal, yet no amount of money can buy the joy and appreciation you give. See the text box to the right for what others have given to those they love.

Lastly, whatever gift you buy you MUST NOT use credit! YOU MUST PAY CASH.

Statistics show that those using credit cards to pay for Christmas usually don't pay them off until mid-summer of the next year. I don't think this is what they mean by "Christmas in July." Last year consumer Christmas spending was more than \$300 billion dollars, according to the U.S.

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Gifts of Service....

The following people have committed themselves to the Transforming Debt Into Wealth® debt elimination plan and to living within their means, without giving up the gift of giving during the holiday time and all year long.

Last year for Christmas we gave my sister and brother-in-law the gift of watching our nieces for the summer. This not only save them over \$1,800, but the real gift was the bonding we did with our wonderful nieces.

Zoe T.
Round Lake, IL

I bought over 5 gift certificates for under \$50 and some of them were for \$25 at local restaurants. Go to www.restaurants.com, it is awesome.

Diane C.
Waukegan, IL

Last Father's Day I a gave my dad 3 months of free car washes and for Christmas I gave my brother and his wife one Friday a month to be together while I watch the boys, for a whole year.

Neal K.
Chicago, IL

Sherry Ridge a National Sales Manager with Tower Financial Services™, conducts Transforming Debt into Wealth® workshops all over Lake County, Illinois. She eliminated over \$150,000 in debt in 7.3 years.

Commerce department.

I must go back to the information that is shared in our Transforming Debt Into Wealth® workshops, from The Golden Ghetto: The Psychology of Affluence by Jessie H. O'Neill

Per capita consumption in the United States has increased 45 percent in the past twenty years.

During the same period, quality of life as measured by the index of social health has decreased by roughly the same percentage.

We are getting more “stuff” yet we are not as happy. Most of this is caused by how we are getting stuff or we are getting it, on



this giving credit.

Hopefully you still have time this year, but if not make the commitment to yourself to budget for gifts so that you are putting the money away each month and can pay cash when the time comes.

Surviving the Holidays

By Tammy Nelson

I attended a Transforming Debt Into Wealth® workshop this past spring and have been blessed to eliminate debt I thought I would always have. We are working on our 2nd car and will start on our

house this winter. One of the things I've learned besides this extraordinary program is that there are so many ways to cut expenses to be able to apply more money to your debt elimination program. The following was shared with me by a friend living in Texas last year, that I applied to my holiday's this year and I feel very blessed and not stressed. I hope they help you as well.

5 Successful tips to help you Survive the Holiday Season, courtesy of Jennifer Decamp.

Step 1: Learn from past mistakes

First, remember the desperate sensation of facing the holiday season and feeling obligated to buy presents that you simply can't afford. Instead of wallowing in despair, learn from it. Remember the stress that you feel by being in this position and vow to never make these mistakes again. Say this out loud as many times as necessary, “*At Christmas, I will feel blessed NOT stressed!!*”

Step 2: Track your holiday expenses

So that you will know how much to budget for next year, keep track of what you spend this

year. Write down how much you spend for presents, gift wrap, decorations, holiday parties, cards, postage, shipping costs, charity contributions, and baking supplies.



Step 3: Begin a Savings Account

If your employer offers a Christmas club account, it is a great way to save. If your employer does not offer a Christmas club, any savings account will work. Divide your annual Christmas expenses by the number of pay periods you have and set that amount aside. For me, instead of having to come up with \$500.00 all at once, I really just had to manage \$25.00 per pay period. You can easily do the same.

Step 4: Get Creative

Is there anything you can do to make extra money just for the holiday season? Is a part-time job a possibility? Do you have anything you could sell at a yard sale or online auction? Can you make/bake things to sell at craft shows? A coworker friend of mine shops season-end sales and then sells the items online when the item is popular. She just sold a nice new coat that she bought in the spring for more than 3 times as much as she paid for it. Just last month, she made a profit of over \$250.00 on clothing alone that she sold online.

Step 5: Don't Count on the Unknown

Some people don't budget for the holidays because they just know that they will be receiving that big Christmas bonus. But as some have experienced that bonus was not there. You never know when your bonus could be cut. You don't want to end up like Clark W. Griswold in the Christmas Vacation movie. Poor Clark! Instead of receiving the huge Christmas bonus he was expecting to cover the swimming pool he had planned, his employer opted to skip the cash and Clark got enrolled in the Jelly of the Month Club. For years, a family member of mine received a nice bonus until one year he received...a fried chicken dinner. No kidding. Remember: It's called a bonus because it's extra. Don't count on it. If you save all year and then still receive a nice Christmas bonus, well, then, that's just gravy.

With the holiday season being hectic enough with holiday events and family gatherings, the last thing you need is more stress. Follow these tips to get you through this year and start planning for next. Not having to worry about how you will pay for Christmas makes you and your family merrier all year long.

Cost Cutting Staff Writer

In 2004 the U.S. Department of Labor, published the results of a Consumer Expenditure Survey. The following chart shows what the average household spends;

Housing	\$13,432
Transportation	\$7,781
Food	\$5,340
Clothing	\$1,640

Below are 30 different ways that you can cut costs in the areas of housing, transportation, food and clothing. Some of these you may have seen before and others will be new to you. If you try only half of them you will save money. Remember that every penny you save on your expenses can be applied to your debt elimination program.

Housing

Raise your deductibles on your homeowner's or renter's insurance.

Move to a cheaper place

Get a roommate; rent a room in your home

Reduce phone extras such as call forwarding or call waiting.

Replace your land line with a cell service (or vice versa).

Eliminate premium channels from your cable or satellite TV service.

Use shades, blinds and drapes to regulate your home temperature: Keep them open in the winter

to let in light and drawn in the summer to block the sun's rays.

Install a programmable thermostat so your home is heated or cooled only when you're actually there.



Transportation

Raise the deductibles on your auto-insurance policy.

Get all the discounts you deserve, such as good-driver, good-student and multiple-car discounts.

Cancel collision and comprehensive insurance on cars older than five to seven years.

If you're driving less, tell your insurer; you may get a cheaper rate.

Buy used cars and drive them for years.

Check into carpools and public transportation.

Avoid repair bills by maintaining your vehicles properly with regular oil and filter changes.

Group your errands and use the vehicle with better gas mileage, if you have more than one car.

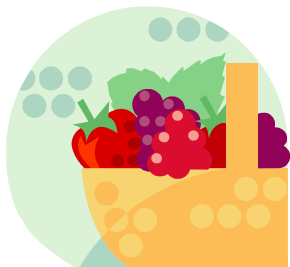
Food

Cook once, eat twice: Double whatever you're making and freeze the excess for a later meal.

Make at least one or two meatless meals each week.

Bring lunches and snacks to work.

Buy fruits and vegetables in season.



Give up a vice (smoking, drinking, soda, salty snack foods).

Use the weekly grocery store circulars to see what's on sale and plan meals accordingly.

Go to the grocery store as few times as possible each month.

Clothing

Know what you have and buy pieces that accent with what you already own.

Don't buy "dry-clean-only" clothing.

Find out what looks good on you and stick to classic styles that won't be out of style next season.



Hold a clothing swap with friends.

Ask friends and

relatives for hand-me-downs.

Check out consignment and thrift stores for lightly-used items.

Where have you been all my life? . . . the client reaction!

Here is what some of our clients are saying about our debt elimination and wealth building programs.

I just wanted to say thank you for the presentation this past weekend. It was amazing to me how simple the plan is I was almost dumbfounded.

We are excited to start the program and will begin implementation this month. We were previously doing some of the steps you mentioned, like using coupons, going to an early movie, really just trying to be smart with our money but we felt like we were not getting anywhere. I also wanted to tell you a little

something we do which gives us at least one good going out date night per month. We have a jar we keep all our loose change in, whenever we get home from the end of our day we put our loose change in the jar. When the jar is full (no it's not a tall jar) we go to our bank and change it to bills (which they do for

free). We usually end up with around \$50 to \$75 for a date night!!

Thank you again.
Bart D.
Mt. Prospect, IL



This is an awesome program. The best I've felt about the "light at the end of the tunnel" of debt in my entire life.

Alan A.
Round Lake, IL



Thank you! Your system is very valuable and easy to follow.

Susan K.
Round Lake, IL



I just wanted to say hi and thank you, thank you because if it wasn't for the simple and straight forward explanation as to how to get out of debt, I would not be on my way to complete debt freedom!!!!

Yes, I have had ups and downs but I stay put and I still owe \$ to some creditors, but I have been able to be honest with myself and my husband about money matters. I still have about 2 years on all the credit cards and car payments so we can start on the mortgage.

Thanks and God Bless you and your family

Sam & Michelle M.
Vernon Hills, IL