



NATIONAL FOUNDATION FOR
CREDIT COUNSELING

*Knowing the difference can
make all the difference.*

NFCC PRESS RELEASE

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HOW TO PAY WITH CASH THIS HOLIDAY SEASON

NFCC Offers Tips on Finding \$1,000 Before Black Friday

Silver Spring, MD - The largest shopping day of the year is two months away. Are you financially ready? Could it be possible for you to pay cash for all of your holiday purchases this year? After all, it is likely that you've not finished paying for what you spent during last year's gift-giving season, and one of the worst financial moves you can make is to pile new debt on top of old.

“Regardless of how strained a family's financial situation might be, it is not realistic to think that they will totally forego spending this holiday season. However, considering the rough economic times in which we're living, it is critical that consumers control their spending, and avoid adding to their debt load. Paying for purchases with cash is ideal,” said Gail Cunningham, spokesperson for the National Foundation for Credit Counseling (NFCC).

Even at this late stage of the game, even if nothing has been saved so far, there are ways to find money and pay for purchases with cash. The NFCC makes the following practical suggestions that allow consumers to sock away over \$1,000 between now and Black Friday:

Action: Each night, empty the change in your pocket into a jar.

Deposit into holiday fund: \$80 - Pocket change adds up to between \$30 and \$50 per month.

Action: Cut \$5 per day out of your incidental spending.

Deposit into holiday fund: \$300 - Mindless spending and impulse shopping take a bigger chunk out of people's spending than they care to admit.

Action: Examine all spending categories that are not fixed, and resolve to carve \$10 per month from each.

Deposit into holiday fund: \$100 - You know you can save \$10 in at least 5 categories and never notice it. For instance, (food) plan meals in advance and never grocery shop on the run, (eating out) order water to drink when dining at a restaurant, (utilities) watch the thermostat at home, (shopping) stay out of the malls and shop only when an item is needed, and (medical) sign up for one of the discount plans on prescriptions currently being offered by many national drug chains.

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Action: Kick your bad habits.

Deposit into holiday fund: \$100 – Buying a pack of cigarettes and a lottery ticket each day can add up quickly. Even cutting back on these bad habits can save you a significant amount of money.

Action: Eliminate bank fees.

Deposit into holiday fund: \$50 – Bank with an institution which has ATMs near where you live and work, thus eliminating any fees assessed by using a machine outside of your network. Don't pay a fee associated with your checking account when many banks offer free checking with few strings attached. Never overdraft your account.

Action: Have an insurance check-up.

Deposit into holiday fund: \$50 – You don't want to be over-insured or under-insured, but if you can handle raising your deductible, it will save you money each month.

Action: Don't have too much of a good thing.

Deposit into holiday fund: \$50 – Examine your cell phone package. Are the minutes right for your calling patterns? Look at your cable plan. Are you paying for channels you never watch? Keeping these conveniences, but adjusting into the plan that is right for you yields big savings.

Action: Stop charging and pay with cash.

Deposit into holiday fund: \$400 - Studies show that people who pay for their purchases with cash typically save about 20 percent. Therefore, if you put \$1,000 onto a charge card each month, you stand to save big bucks.

“The great thing about putting the above tips in place is that not only can people have a debt-free holiday, but they can continue the savings year-round, devoting the found money to paying down existing debt, establishing an emergency savings fund, or investing it,” Cunningham continued.

For professional help with finding hidden money in your budget, call an NFCC Member Agency. To locate the counselor closest to you, dial (800) 388-2227, or go online to www.DebtAdvice.org. To find a Spanish-speaking counselor, call (800) 682-9832.

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The National Foundation for Credit Counseling (NFCC), founded in 1951, is the nation's largest and longest serving national nonprofit credit counseling organization. The NFCC's mission is to promote the national agenda for financially responsible behavior and build capacity for its members to deliver the highest quality financial education and counseling services. NFCC members annually help more than two million consumers through close to 900 community-based offices nationwide. For free and affordable confidential advice through a reputable NFCC member, call 1-800-388-2227, (en Español 1-800-682-9832) or visit www.nfcc.org.