



NATIONAL FOUNDATION FOR
CREDIT COUNSELING

*Knowing the difference can
make all the difference.*

NFCC PRESS RELEASE

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CREDIT COUNSELING CEOs LIST TOP TEN NEW YEAR'S FINANCIAL RESOLUTIONS

Executives Share Best Financial Moves for 2010

Silver Spring, MD – Few people understand American consumers' financial woes better than those who work with them on a daily basis. It is for this reason that the National Foundation for Credit Counseling (NFCC) asked more than 100 of their Member Agency CEOs to provide their best financial tip to consumers for the New Year.

“The NFCC Member Agencies will have assisted more than 3.5 million consumers by the end of 2009. The Agency CEOs are up close and personal with the problems facing Americans in these unprecedented economic times, so who better to offer advice on how to move away from financial distress and toward financial stability” said Gail Cunningham, spokesperson for the NFCC.

Following are the recommendations of the CEOs:

- **Have adequate savings.** This was overwhelmingly the top tip, and for obvious reasons. Americans might ask themselves how they paid for their last emergency. If it was with a credit card, that's a red flag. A person who cannot afford an emergency is not likely to be able to afford the interest, late charges, and over limit fees that could be associated with adding to their debt load. What is worth noting is that the NFCC's online December poll showed that consumers cited savings last among their New Year's resolutions goals. There is a troubling disconnect between what the experts recommend and what consumers value.
- **Track your spending.** The only way you can know where your hard-earned money is going is to write down every cent you spend. Do this for at least 30 days. Believe it or not, many people make incomes adequate to support their expenses, but end up short each month simply because they don't keep track of their spending.
- **Create a budget.** Budget is not a four-letter word. If it helps, call it a spending plan. The point is to be in charge of your money, not the other way around. After you've tracked your spending, you'll be able to assign dollar amounts to each spending category. This results in using your money to your best advantage.
- **Get your credit report.** Review it for accuracy and address any errors. Why? Your credit score is based on the contents of your credit report. Further, frequently reviewing your credit report is a good way to protect yourself against identity theft, as you'll be able to spot any suspicious activity. Now that consumers are allowed one free credit report from each of the three bureaus every 12 months, there's no excuse for not obtaining it. Realize, however, that there is only one legitimate site, which is www.annualcreditreport.com.

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- **Improve your credit score.** Credit is becoming increasingly harder to obtain, but having a solid credit score will help you not only get the credit you need, but at a reasonable rate. The two most important things you can do to improve your score are to pay your bills on time, and not utilize more than 30 percent of your available credit. To help you never pay late, create a cash-flow calendar listing all paydays and which bills are due to be paid from those funds.
- **Pay down debt.** Find the money to dedicate to debt reduction by learning to live below your means. If you've created a lifestyle that is not realistic for your income, it's going to involve some serious adjustments. Additionally, you may need to take on a second job and dedicate that paycheck to debt reduction. As burdensome as that may sound, becoming debt free has tremendous perks: it frees you from worry, allows you to build your savings account, begin investing and meet your financial goals.
- **Set goals.** When people are in financial distress, they have trouble planning beyond the next day. However, setting both short- and long-term goals can define where you want to be and help you get there. Your goals need to be low enough that you can attain them, but high enough that they make you stretch. Sometimes we're so busy making a living that we don't take time to make a life. Know where you want to go and take the necessary steps to get there.
- **Plan for retirement.** This is another often neglected area when money is tight. However, we all hope that tomorrow comes, so we'd better start planning for it today. Time is money's best friend, thus small contributions over time to your retirement plan or IRA can yield significant benefits. Nobody has ever regretted beginning retirement planning early, but many wish they'd started sooner.
- **Involve your family.** Make all financial decisions family decisions, and your likelihood of success will increase dramatically. Talk about everything from the bills to the budget. The home is a great place to teach your children about financial issues, including the inevitable problems. Remembering when Mom and Dad worked through the hard times will be a nice cushion when it's the kid's turn.
- **Reach out for help.** Take action at the first sign of financial distress. Delaying only makes it harder to find a solution. There are many reputable credit counseling agencies with trained and certified counselors waiting to help you. Even better, sit down with a counselor and get your financial ducks in row *before* trouble strikes.

“Perhaps the best tip of all is to remember the adage that *contentment is not the fulfillment of what you want, but the realization of how much you already have,*” continued Cunningham. “A new attitude toward money will go a long way toward reaching many of our financial goals.”

If you'd like help with your New Year's resolutions, consider a consultation with an NFCC-certified counselor. Dial toll-free to (800) 388-2227, or go online to www.DebtAdvice.org to find the agency closest to you. For help in Spanish, 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 three million consumers through close to 850 community-based offices nationwide. For free and affordable confidential advice through a reputable NFCC Member, call (800) 388-2227, (en Español (800) 682-9832) or visit www.nfcc.org.