



THE novadebt CONNECTION

A Garden State Consumer Credit Counseling Organization

April 2005

What Our Clients Are Saying...

"I wanted to take a moment to let you know the difference your service has made in our lives. When I called Novadebt a little more than a year ago, I was hounded by collection calls. I was falling further and further behind in my bills and I was scared. Our youngest child was a senior in high school and I couldn't imagine how I was going to be able to find the money for the important senior year activities that were in the very near future. I decided to call Novadebt because of a commercial on television. Once I resigned myself to the fact that I had a money problem, I was able to face the situation and work on a solution with your help. The calls stopped. I worked on a revised budget and got busy finding more clients for my daycare. I sold my dining room furniture to pay for our daughter's expenses and just felt a little relief. Now, a little more than one year into the program, my balances continue to drop and I can see the light at the end of the tunnel. Our daughter is in college now and we have been able to pay her tuition balances after her school loan and her monthly living expenses as well. I never thought I would be able to provide this for her. She is surprised by our progress too and proud of what we are accomplishing. She is working part time to help. In all, this has been a valuable lesson for the whole family. I think that if the embarrassment of being late on bills can turn into a lesson, so much the better. Thank you for getting me on a better footing. I am looking forward to the day when I send my last check to Novadebt and can declare myself debt free, at last. I don't ever plan to get into credit card debt again. Thank you so much!"

Community Impact

Source: Becky Winters, Education Consultant for Novadebt

Spring has arrived and Novadebt employees are busy with new projects. We received a new platoon assignment in our Adopt-A-Platoon effort and are excited!! These soldiers are members of the Georgia National Guard and are a support platoon. They are considered the "bloodline" for the entire platoon, providing the food, ammunition, and fuel to the soldiers, in addition to running the dangerous convoys that we see and hear about on television. We introduced ourselves through cards and letters and have sent care packages filled with toiletries and "Free Time Fun" items, such as writing paper, pens, magazines, puzzles, cards, comics, VHS tapes, and DVD's. Hopefully by next month's bulletin, we can share some correspondence with you.

Spring also means new beginnings and in that light, we are involved in the Baby Bundle Wishes effort by the United Way of Monmouth County. During April, Novadebt employees will collect new

supplies such as baby clothes, food, monitors, diapers, formula, etc. that will be donated to families in need. These families have been identified by various agencies in Monmouth County. Through coordination by the United Way, the baby supplies will be collected, dropped off to a central location and sorted. Then, United Way agencies will distribute the items to low income expectant mothers and families. It is nice to be able to provide support within our own community, as well as fellow Americans in distant places.

April 15th is quickly approaching; so don't forget that we have trained counselors who can still file your Federal and New Jersey tax returns through April 8th. You may be someone who can take advantage of the Earned Income Tax Credit! If you are in doubt and meet the income guidelines, give us a call to make your appointment at 1-800-772-4557 today. Take advantage of this service before it's too late!



Employee Spotlight ... Shae Pinckney



Novadebt's employee spotlight for April shines on **Shae Pinckney**.

Shae began employment with Novadebt in May 2001. She is a Certified Credit Counselor who is a valuable member of the Counseling Department and an asset to Novadebt. Shae's favorite part of her job is helping clients come up with an appropriate solution for their situation. Whether it's through Novadebt's Debt Management

Program, financial education, or just on-going counseling, she enjoys making that "one on one" connection with her clients. The response cards that come back from Shae's clients are always positive and contain enthusiastic comments. Shae's counseling skills are so good that one of her counseling sessions is being used for training new employees.

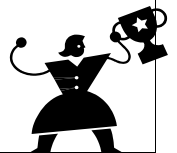
Shae's flexibility sets her apart from others because she is always willing to change her hours to suit the department's needs. Shae does everything with enthusiasm and provides a serious commitment to her clients

and to Novadebt.

In the future, Shae would like to learn more about other areas of the organization, such as Housing Counseling and Home Equity Conversion Mortgage Counseling (HECM).

In Shae's free time, she enjoys going to Barnes and Noble to catch up on her reading, while sipping on Espresso.

Thank you, Shae, for being a part of Novadebt's team.



How Are We Doing?

Source: Gina McCullough,
Director of Quality Assurance for Novadebt

We are happy to announce that we now have an online survey to help us accomplish our goal of customer satisfaction. The survey will allow you to rate your different experiences with Novadebt, while providing an area for you to write any additional comments or improvement ideas. All feedback is welcome.

All suggestions and feedback comments are reviewed, analyzed, and addressed accordingly. Please take ten minutes and visit www.novadebt.org to complete our survey. If you do not have access to the Internet, please contact our office at 1-800-772-4557, so a survey can be mailed to you.

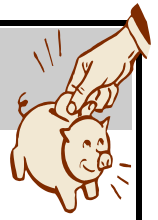


Income Tax Refund Season

Source: Dan Slocum, Training Manager for Novadebt

This is the time of year when many of us receive refunds from our state or federal income tax returns. Many people rush to pay off debt or pay down the balances, which may not be the best thing to do with that money. Most experts agree that one of the crucial elements of a sound financial plan is to establish an emergency fund. We all know that cars and homes need repair or maintenance, yet we haven't set any money aside to cover those costs. Medical expenses are another thing we need to plan for. If you don't have an emergency savings account to cover these types of expenses, consider using that tax refund to get started. When we immediately pay off debt and have no savings fund, we are forced to borrow again and again when we need money. This starts a vi-

rious cycle - borrow, pay off, borrow again - which puts a constant strain on our personal finances. We all know the damage that borrowing at high interest rates does to a personal and family financial situation. While experts have different opinions on how much should be saved for emergencies, all agree that having such an account is critical to a solid financial plan. When that refund check arrives, call us and we will be glad to review your situation and discuss the options that you have. We may be able to provide information on how to reduce tax withholding through your employer and increase your monthly take home pay. This money can be used to pay down debt or increase that emergency savings fund. The key thing to remember is to call us—we are here to help!



Top 10 Ways to Beat the Clock and Prepare for Retirement

Source: www.dol.gov/ebsa

Know Your Retirement Needs: Retirement is expensive. Experts estimate that you'll need about 70% of your pre-retirement income - lower earners, 90% or more - to maintain your standard of living when you stop working. Understand your financial future.

Find Out About Your Social Security Benefits: Social Security pays the average retiree about 40% of pre-retirement earnings. Call the Social Security Administration at 1-800-772-1213 for a free Personal Earnings and Benefit Estimate Statement (PEBES).

Learn About Your Employer's Pension or Profit Sharing Plan: If your employer offers a plan, check to see what your benefit is worth. Most employers will provide an individual benefit statement if you request one. Before you change jobs, find out what will happen to your pension. Learn what benefits you may have from previous employment. Find out if you will be entitled to benefits from your spouse's plan. For a free booklet on private pensions, call the U.S. Department of Labor at 1-866-444-3272.

Contribute to a Tax-Sheltered Savings Plan: If your employer offers a tax sheltered savings plan, such as a 401(k), sign up and contribute all you can. Your taxes will be lower, your company may kick in more, and automatic deductions make it easy. Over time, deferral of taxes and compounding of interest make a big difference in the amount of money you will accumulate.

Ask Your Employer to Start a Plan: If your employer doesn't offer a retirement plan, suggest that he/she start one. Simplified plans can be set up by certain employers. For information on simplified employee pensions, order Internal Revenue Service Publication 590 by calling 1-800-829-3676.

Put Money Into an Individual Retirement Account: You can put up to \$2,000 a year into an Individual Retirement Account (IRA) and delay paying taxes on investment earnings until retirement age. If you don't have a retirement plan (or are in a plan and earn less than a certain amount), you can also take a tax deduction for your IRA contributions. IRS Publication 590 contains information about IRAs.

Don't Touch Your Savings: Don't dip into your retirement savings. You'll lose principal and interest, and you may lose tax benefits. If you change jobs, roll over your savings directly into an IRA or your new employer's retirement plan.

Start Now, Set Goals, and Stick to Them: Start early. The sooner you start saving, the more time your money has to grow. Put time on your side. Make retirement saving a high priority. Devise a plan, stick to it, and set goals for yourself. Remember, it's never too late to start. Start saving now, whatever your age.

Consider Basic Investment Principles: How you save can be as important as how much you save. Inflation and the type of investments you make play important roles in how much you'll have saved at retirement. Know how your pension or savings plan is invested. Financial security and knowledge go hand in hand.

Ask Questions: These tips should point you in the right direction, but you'll need more information. Talk to your employer, your bank, your union, or a financial advisor. Ask questions and make sure the answers make sense to you.



*"The Novadebt Connection" does not assume responsibility for any advice given.
It is up to the reader to determine if advice is safe and suitable for their own situation.*