

The Penny Pincher

January 2004 A Newsletter from Novadebt A GARDEN STATE CONSUMER CREDIT COUNSELING ORGANIZATION

Garden State Consumer Credit Counseling Will Use The Trade Name, Novadebt

Source: Novadebt

Since 1991, we at Garden State Consumer Credit Counseling have taken great pride in the professionalism and the quality service that has allowed us to make a demonstrable difference in tens of thousands of lives, while growing into a national organization. To reflect that national scope, we are pleased to announce that we have changed our trade name to Novadebt.

Our original name suited us well when our market and mission were centered in the Greater New Jersey area. As we have expanded our reach to help clients in virtually every state, we saw the need for a shorter, more memorable trade name that would allow us to take full advantage of additional opportunities.

We wanted a name that was easier to remember and that quickly captures and conveys the nature of this organization. A shorter name will enhance our ability to communicate effectively with our clients, the general public and with organizations and agencies whose understanding and support are critical to our continued advancement in this field. Our mission, and our "official" corporate name remain the same. We believe our new trade name will help to propel us to greater customer service and satisfaction and enhance the lives of many more people who find themselves burdened with unmanageable debt loads.

So welcome to Novadebt. We look forward to the possibilities that this name opens for us, and to continuing and expanding the many relationships that have led to our success over the years. ■



'Tis The Season To Be Saving

Source: www.napsnet.com

There's no reason that being merry during the holiday season should leave you with a financial hangover. There are many ways you can stay out of debt and even save this season. The experts at Novadebt, a national non-profit social service agency dedicated to helping consumers regain financial stability, suggest the following tips:

- Purchase gifts with cash rather than on credit so you are not rapped into six more months of bills.
- Give gifts of your time/talent... These are worth more than anything that can be bought at the store. Consider a certificate of free babysitting for someone with small children or driving or cooking for the elderly.
- Decide in advance how much you can spend and stick to it. Make a list of who you need to buy gifts for and how much you will spend on each gift.
- Homemade gifts such as baked goods or knitted items make unique gifts that cost little and are something that money can't buy.
- Have a plan to pay off all holiday credit card purchases by April 30 of the following year.
- Go to wholesale stores to purchase food items for holiday parties.
- Have your children make simple holiday decorations (string popcorn, cut out snowflakes) rather than buying expensive ones.
- If you overspent in past years, write down how you felt in January when the bills came and post it on the fridge. Look at it before you go shopping.
- Use unique, cost-effective material such as sheets and tablecloths to make beautiful, reusable gift bags.
- Buy next year's wrapping paper, cards and decorations after the holidays when they go on sale. Make gift cards out of last year's holiday cards.
- If money is tight and you will be spending less, explain to your children. They will be more likely to understand than you might imagine.



Novadebt's goal is to help educate the community on financial issues that affect people's daily lives. They conduct thousands of free budget counseling sessions and over 100 free workshops and seminars each year. For more information or a free consultation with one of Novadebt's certified counselors, call 1-800-99BILLS or visit www.novadebt.org. The happiest holiday season may be the one that ends without credit card debt. ■

Novadebt Clients Benefit From 2003 Funding Awards

Source: Becky Winters

Novadebt strives to provide the finest service to our clients in an efficient manner. These services, including client guidance, financial literacy education and social service referral resources, along with our certified counselors, continue to distinguish our organization from others in the industry. In order to reduce the cost of these services, throughout the year, Novadebt researches other funding resources for financial support. Our program participants benefit directly from any funding received, as it aids us in keeping our costs to a minimum.

We are happy to share with you that during the year 2003, Novadebt was successful in more than one funding request submission. Many hours of research and preparation goes into each submission and for every hundred applicants, only a small percentage is successful in being awarded funding. Novadebt received funding from three submissions, with one other currently in review.

In June 2003, we received a \$5,000 grant from the United Way of Monmouth County for the provision of the "Credit When Credit Is Due" program. This was the second year we were awarded funding from the United Way and we are extremely proud to be affiliated with this great social service organization. Networking amongst fellow agencies offers services to not only our clients, but also to those of other United Way agencies. This funding will be distributed to our organization from July 1, 2003 through June 30, 2004.

Sovereign Bank awarded Novadebt a grant of \$2,500 in October 2003. This funding will assist us to help families and individuals in need with financial literacy education. This has proven vital for financial stability, as financial education goes hand-in-hand with

financial counseling. Workshops, agency authored materials and access to over 200 social service agencies strengthens our commitment to providing education to our clients and our communities. There has been a marked increase in the working poor, as the prolonged economic downturn has resulted in increased participation in EAP programs, significant layoffs, and unemployment from company closings. As such, a growing number of our clients require housing counseling in addition to financial counseling. Becoming HUD certified, in March 2003, added an additional service to established and future clients. Novadebt was recognized further by being awarded \$20,197 to provide HUD housing counseling to New Jersey residents. This funding will be available during the period of October 1, 2003 through September 30, 2004 and will assist borrowers in "avoiding unreasonably high interest rates, inflated appraisals, unaffordable repayment terms and other conditions that can result in a loss of equity, increased debt, default or even foreclosure".

We will not rest on these results, as we are already hard at work in the preparation of funding requests for 2004. As positive outcomes are received, we will be sure to share our progress with you! Novadebt focuses on a variety of consumers' financial needs and will continue to do so by striving to keep our costs at a minimum. ■



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"The Penny Pincher" 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.

7 Tips For Holiday Budgeting

Source: www.thirdage.com

Is your holiday gift list swelling with new friends and family additions this season? If so, how do you spread joy and cheer without doing damage to your personal finances?

The best holiday budget began last year. Smart shoppers write the holiday gift season into each month's budget, and to the truly diligent comes a stress-free holiday season: they buy presents here and there all year long.

But if you're like most of us, you have not planned ahead and are likely to find yourself living a little tight in January. Here are a few tips to help keep yourself solvent in the New Year:

Step 1: Make a List

Make a list and check it twice. Does everyone belong on this list? Be discerning. Divide your list into A and B, a master list of everyone and a second list for those who get something special. Stick to the list.

Step 2: Set Limits

As you're making your list, write down a maximum dollar limit for everyone. Then, keep track of how much you actually spend. Now, you know the most you might spend this season. Think of this list as a very short-term financial plan. Stick to it.

Step 3: Buy in Bulk

Write in a soft amount for unexpected presents. There's always someone who you may want to surprise with something special. Plan to have some extras on hand by investing in some simple gifts anyone would enjoy. Buy in bulk: a case of wine, elegant candles or tins of homemade cookies, which will also do nicely for party hosts.

Step 4: Be Realistic

Ask yourself: Is that maximum amount you figured in Step 2 really something you can afford? Do you have the cash on hand for this spending spree, or will you be carrying credit card debt in January? Since debt doesn't do your credit rating any good, get creative about ways to save.

Step 5: Trim Your Expenses

Revisit the list; should it be smaller? Could you make some of those presents yourself? Are you part of a large family, circle of friends, or group of co-workers who might be willing to participate in a gift exchange? These are all ways to enjoy giving without paying the price in January.

Step 6: Stick to the List

This is the toughest part. Use cash. It makes it harder to spend more than what you have. Take only the exact amount you've planned to spend on the gifts you're shopping for the day you shop. If you must use plastic, reach for your debit card instead of the Visa. This automatically debits your checking account, the same as paying cash.

Step 7: Start Getting Ready for Next Year

After Christmas, consider taking advantage of some of those post-holiday sales for the people who'll be on your list next year. And remember, the act of giving can be as simple as a smile. Practice giving all year long. ■



Timeless Tips: Holiday Helpers

Source: *Woman's Day Magazine*

- **To remove wax from candlesticks**, freeze them for about 20 minutes. The wax will chip right off.
- **Not sure where to cut the gift wrap?** Wrap a piece of string around the box, add 2 inches to it, then cut the paper to match the length of the string.
- **Enlarged photocopies** of favorite snapshots are great for wrapping small packages.
- **Slide a pantyhose leg over long tubes of gift wrap** to keep them from unrolling. Unlike rubber bands, they won't leave a mark.

- **If you don't have enough baking sheets**, use an upside-down baking pan instead.
- **Did you over-bake the cookies?** Store them in an airtight container for a day and they'll re-soften.
- **Remove stubborn price stickers** by warming the glue slowly over the spot.
- **Save those paper sleeves** that light bulbs come in; they're perfect for storing delicate ornaments. ■

Avoid Seasonal Splurging: 5 Simple Tips for Managing the Holiday Season

Source: www.nysscpa.org

Just as holiday feasting can ruin your waistline, over-enthusiastic holiday spending can bust your budget. According to the New York State Society of CPAs, the best way to take the stress out of holiday buying and post-holiday “paying up” is to map out your spending strategy in advance.

1. Review Last Year's Holiday Expenses:

This will give you a good perspective on how much you actually spend as opposed to what you think you do. Review your records -credit card bills, checkbook register and receipts - to get a rough idea. Include everything -not just gifts, but the money you spent for decorating, entertaining, clothing and travel. Don't forget the interest, if any, that you paid on credit card debt. If you no longer have the records you need, try to estimate your costs.

2. Prepare An Overall Holiday Budget:

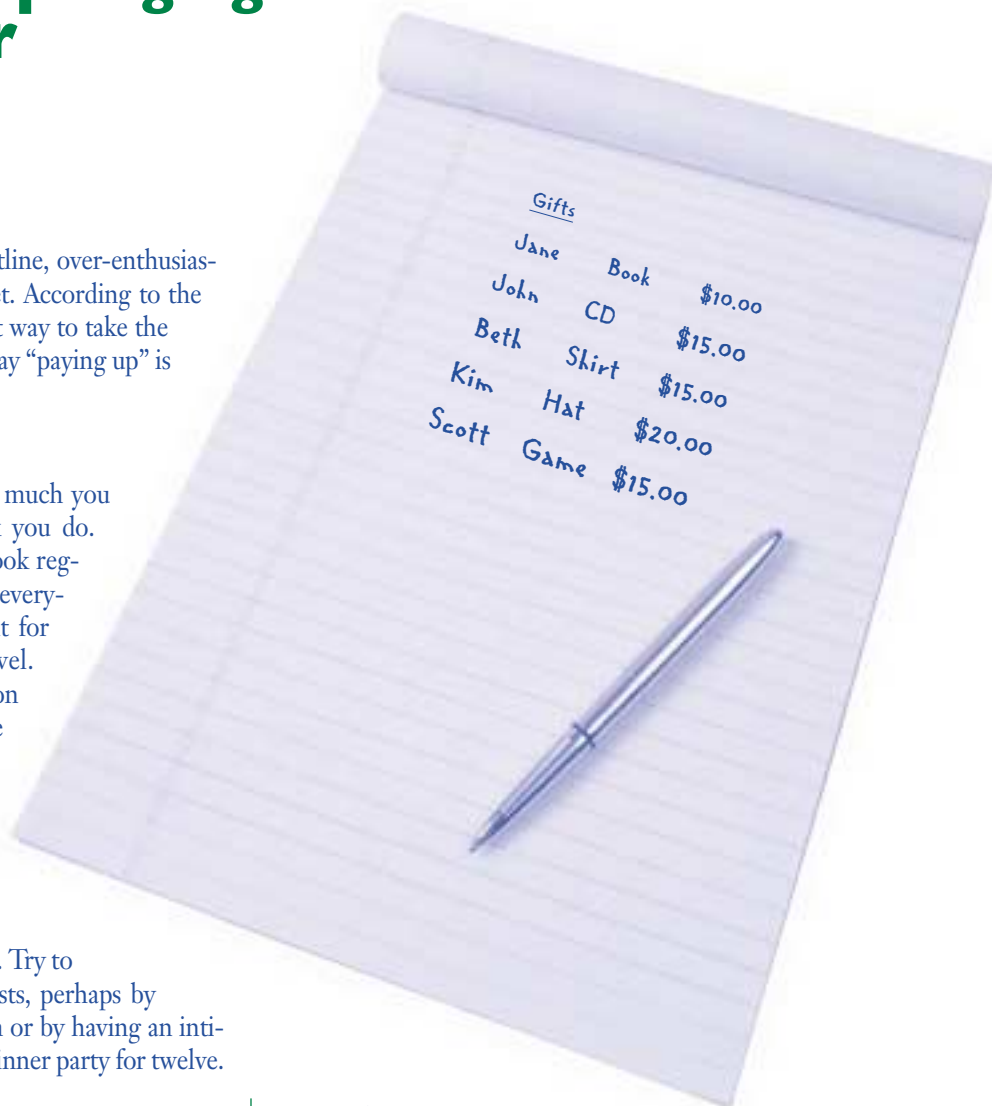
To avoid post-holiday spending remorse, determine a realistic budget and stick to it. A spending plan will help you meet your family's holiday needs without going overboard. Try to think creatively about ways to reduce your costs, perhaps by making decorations instead of purchasing them or by having an intimate gathering for dessert rather than a fancy dinner party for twelve.

3. Set Realistic Spending Limits:

Make a gift list. Decide how much you want, and can afford, to spend on each person. When you add up your costs, if the total is more than you budgeted, look for ways to scale down. For example, you might make some gifts instead of buying them or consider drawing names rather than getting a present for everyone. You might also think about giving a gift of service, such as several hours of baby sitting for a couple of young children or some gardening work for a senior. Bring your gift list with you whenever you go shopping and check it often to be sure you stay within your limits.

4. Avoid Using Credit Cards:

Paying in cash is a good way to reduce spending because people think more carefully when paying with cash. If you're concerned about your money being lost or stolen, a debit card is a good alternative. Each time you use a debit card, the amount of your purchase is automatically withdrawn from your checking account as if you had written a check. You don't receive a bill at the end of the month and there are no interest charges. If you must buy on credit, try this: Put your credit card in a check book register and enter the amount of every purchase, just as if you were writing a check. Keeping a running tally of your mountain balance, should deter you from overspending. Be sure



to use a low-interest credit card. You'll save a bundle if you pay off your balance at 7.7 percent a year, rather than 18 percent. Make every effort to pay off your balance as quickly as possible, even if it means making post-holiday adjustments to your regular budget.

5. Consider Holiday Club Accounts For Next Year:

Holiday Club Accounts may sound old-fashioned, but they are actually one of the simple, most effective ways to prepare for holiday spending, especially for those who lack the discipline of saving on their own. Each week, you deposit a set amount in an account and, come October, you receive a check, just in time for holiday shopping. If you carefully track all your spending this year, you will have a good idea of your needs next year. Divide that number by 12 to determine your monthly savings. If your bank doesn't offer holiday accounts, you can set up your own in a separate savings or checking account.

Even careful spenders can find themselves faced with paying off holiday bills well into the new year. CPAs say that by planning ahead and carefully budgeting, you can make the holiday season and its aftermath more enjoyable. ■

The Skinny on Dieting

Source: Sharon Hussain

With the New Year fast approaching, people's thoughts often turn to their goals for the upcoming year. For many of us, our goals include losing weight. Whether we gained during the excess of the holidays, or already had weight to lose, the New Year is a time we often choose to begin a weight loss plan. The New Year signifies new beginnings and a fresh start. I suggest we think about approaching weight loss differently this time around, though. Let's banish the idea of going on a diet this year, instead, develop an eating plan for life.

The diet industry is a multi-billion dollar a year business. Despite this, or perhaps because of it, statistics show that Americans, including children, are gaining more and more weight. Diets fail for long-term goal-weight maintenance, 95% of the time. Why is that? If diets actually worked, we would go on them once, lose the weight we needed to lose and maintain a healthy weight for the rest of our lives. Yet, that rarely happens. Most of us, myself included, struggle with losing and regaining weight over and over and over again.

Despite my assertion for the past 10 years or so, I recently found myself lining up to join a commercial diet program, the kind where you buy their food and meet with their counselors weekly. I joined, bought a week's worth of food, and went home, kicking myself on the way. I had just spent a third of our month's grocery budget on a week's worth of food that I had to further supplement with my additions, such as milk, fruits and veggies. After I stopped kicking myself, I sat down to reflect on the experience.

As I reflected, I began to get angry. I was a victim of the multi-billion dollar a year diet industry. I, with my 33 years of experience, am struggling with weight and food issues. I, who hold myself forth as a beacon of effective money management. I, who have spent zillions of hours analyzing my weight struggle. I, who know, to the depths of my soul, that diets don't work, fell for the diet myth, hook, line and sinker. Would their diet have worked? Maybe, but I was not willing to spend \$6,000 over the course of a year to find out. When I looked at what their program was all about, I realized it boiled down to a few components that are indeed essential to weight loss and maintenance can easily be implemented using a non-dieting approach for very little money (of course, check with your healthcare professional first). Here is their program in a nutshell:

- Practice portion control. Eating 500-1000 calories a day less than your body requires will result in a one-pound to two-pound a week weight loss (More than that is not considered healthy).
- Limit weighing to no more than once a week.



- Establish a support system of understanding people.
- Plan out meals in advance.
- Eat a variety of foods with plenty of fruits and veggies.
- Drink lots of water and take a multi-vitamin.
- Slowly add a little bit of food at a time at maintenance.
- Get some type of physical activity every day.
- Pick back up on healthy eating habits after a lapse.
- Separate food from feelings.

In addition to those strategies, I have a few more beliefs of my own that I have cultivated over the years:

- In order to lose weight permanently, the word dieting needs to be banished from the vocabulary. Dieting is a set up. To lose weight permanently, one must permanently change one's relationship with food and ultimately, with one's self.

• Portion control is key to weight loss. One can achieve the same effect as those of the commercially pre-pack-

aged diet foods by weighing and measuring portions until appropriate portions become second nature.

- Extreme diets, where one eats all or nothing of a particular food or food group is not healthy or realistic in the long run. I've tried them all and they made me fat! After each one, I regained the lost weight plus some. Most people do.
- A support network is important, especially when one has a lot of weight to lose. It's too hard to do it alone.
- Creating a balanced eating plan does not have to be expensive.
- The Food Pyramid offers guidelines of nutritionally necessary foods for optimal health (always check with a healthcare provider).
- Listen to your body. We are all born with the natural ability to feed ourselves the appropriate amount of food and stop eating when we have had enough (in the physical sense). Most of us, though especially the chronic dieters, lose touch with that innate power. Regain it.
- Food is not a substitute for unfulfilled emotional needs.
- Eat to live, not the other way around.
- Persevere. We are all human and will always make mistakes along the way.

So, let's be kind to ourselves in the upcoming year. Let's find a nourishing, economical way to eat that will provide us with optimum health. Let's permanently banish the idea of dieting from our lives, replacing it with healthy lifelong eating habits that we follow every day to the best of our ability. Let's get up and move around, not only because it burns calories, but also because it's fun and makes us feel great. Let's be as accepting of our own faults as we are of those whom we love. Let's all have a blessed year! ■

Conserving Energy During Winter

Source: <http://nd.essortment.com>

The increased cost of winter heating fuel has many people dreading the onset of colder weather. There are several things that can be done around the house to lessen the impact of winter on your family's budget. Follow these suggestions and save money this winter:

- Is it time to change that thermostat?

If it is, check out the thermostats that allow you to program them so that you can lower the heat when you leave the house and raise it before you get home. These thermostats save money and pay for themselves quickly in cost reductions.

- Consider replacing your windows.

If it's time, you can save money by installing double-paned windows, which actually help to insulate your home.

- Check the filters in your heating system. Change dirty filters to get the maximum performance from your heating unit.

- Check your heating vents. Make sure that they are not blocked by couches or other items.

Why heat the bottom of a chair?

- Keep heat generating items such as lamps, computer monitors, and televisions away from your thermostat. They will affect the proper operation of your heating system.



fee and take advantage of the savings that are available when resources are pooled.
Stay warm! ■

- Install ceiling fans. Hot air rises - ceiling fans can help to circulate the heat evenly through the room. There is also the added bonus of cooling your home in the summer months.

- Before you buy heating oil, do some checking in your area with other dealers so that you can get the lowest price per gallon. When oil is delivered, check the fuel gauge before and after delivery to ensure that you are getting what you pay for.

- Place weather stripping on windows and doors to keep the cold air out. Repair broken windows and make sure that window locks are operational so that when closed, the windows seal.

- Install insulated draperies on windows for the winter months. These keep cold air out and reduce heating costs.

- Wear a sweater - it will keep you warm and it will keep you from raising the thermostat. You will save fuel and money.

- Check to see if there are fuel buyer cooperatives in your area. You can join them for a small

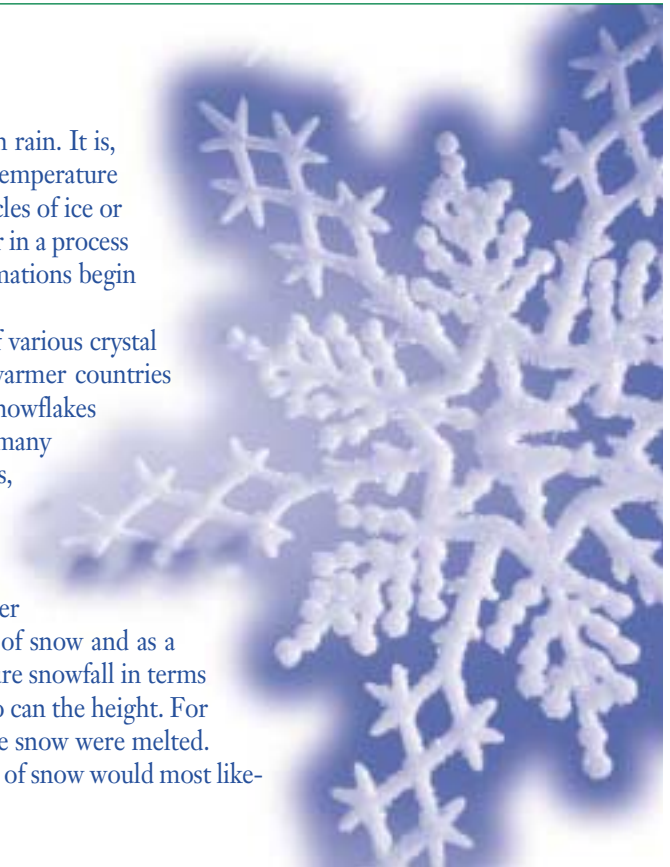
What is Snow?

Source: www.wowcom.net

Formation of snow: Contrary to popular belief, snow is not simply frozen rain. It is, in fact, a formation of ice crystals high in the atmosphere. When the temperature drops below freezing at this altitude, water vapor clings to existing particles of ice or dust. The water vapors turn directly into ice, skipping the liquid state altogether in a process known as "sublimation." When enough moisture is in the air, these crystal formations begin to fall to earth.

Falling snow: Snowflakes, as we know them, are actually a combination of various crystal formations. In northernmost countries, these crystals fall separately. But in warmer countries that still get snow, the crystals tend to stick together. In fact some of the larger snowflakes (1 inch in diameter) can consist of several thousand crystals. Since there are many different types of crystals and one snowflake can have several thousand crystals, it becomes clear that you will most likely never find a pair of identical flakes.

Ground snow: As snowflakes land on the ground, heat and pressure from the ground and fallen snow cause the flakes to become rounded. Since the snowflakes trap air in between fallen layers, the snow at the bottom is warmer than the snow at the top. The cold outside air cannot reach the bottom layer of snow and as a result, the bottom snow will usually turn into ice granules. When people measure snowfall in terms of depth, it can be a bit deceiving. Since the "fluffiness" of the flakes can vary, so can the height. For this reason, the measurements will quite often be in terms of water height if the snow were melted. The ratio of fallen snow to water is generally 10 to 1. This means that 10 inches of snow would most likely melt into 1 inch of water. ■



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