

The Penny Pincher

February 2002

A Newsletter from Garden State Consumer Credit Counseling, Inc.

Congratulations!

Debt Management Graduates

June 01, 2001-December 31, 2001

Total # of Clients

June 2001	122
July 2001	105
August 2001	146
September 2001	98
October 2001	144
November 2001	170
December 2001	143

What Are We Saving For, Anyway?

By: Sharon Hussain

When we talk about saving money, the first logical question to ask is: What are we saving for? To save effectively, goals must be clearly defined; otherwise, money that is saved today will be spent tomorrow. Include the entire family in the decision-making process to minimize power struggles over future spending. Some common reasons people choose to save money are:

- To get out of debt
- For retirement or early retirement
- To give to charity
- For elder care
- To make a major purchase
- To buy a home or make home improvements
- To build an emergency fund
- For a family member's education
- To leave to heirs
- To travel
- For birthdays and holidays

Once goals have been clearly defined, the real work begins. Resisting the urge for instant gratification is an uphill battle. Avoid feelings of deprivation by cutting extraneous items from your budget first. By keeping sight of your overall goal and sticking to the philosophy of living beneath your means, you will be able to build up the reserve you need. Your dream will be realized, one dollar at a time.

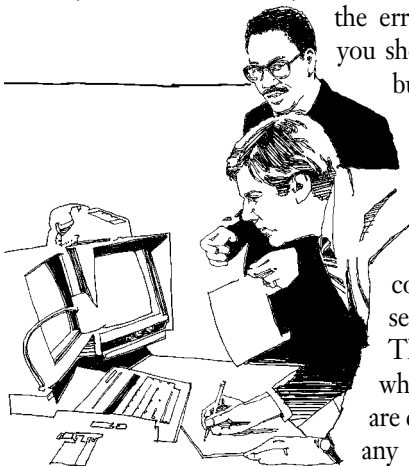


Disputing Errors on Your Credit Report

By: Diane Giarratano

It is very common to have errors on your credit report. These errors could prevent you from re-establishing your credit, obtaining a mortgage, or even getting a job. Not only are these errors that are notated with your credit information, but there can be errors regarding your address and employment status.

If you do find errors on your credit report, it is important to dispute the errors properly. The first thing you should do is write to the credit bureau that provided you with your report. You will need to let the bureau know that you believe information on your report is inaccurate. You should provide your name, complete address, and social security number on your letter. The letter should also include which items on the report you are disputing, the reasons why, and any documentation that supports



your dispute. Send your letter certified mail and keep a copy for your records.

By law, the credit bureau must respond to your dispute within 30 days. They will also forward all information you have sent to the credit bureau and to the creditor you are disputing. The creditor will then be responsible for reviewing your dispute and reporting the results to the credit bureau. Disputed information that cannot be verified will be removed from your credit report. Any incomplete items on your report should be completed by the credit bureau.

Once the process is complete, the credit bureau must provide you with written results and a free copy of your report with the updated information. Upon your request, the credit bureau is also required to send a notice of correction to anyone who received your credit report in the past six months.

If the dispute is verified and the creditor is accurate, the negative information will remain on your report for seven years. You can ask the credit bureau to include your statement of dispute on your report if this occurs.

For more further information, feel free to contact our office at 1-800-99-BILLS. If you are a client, please call 1-800-772-4557.

Who Should I Pay First?

By: Sandy Shore

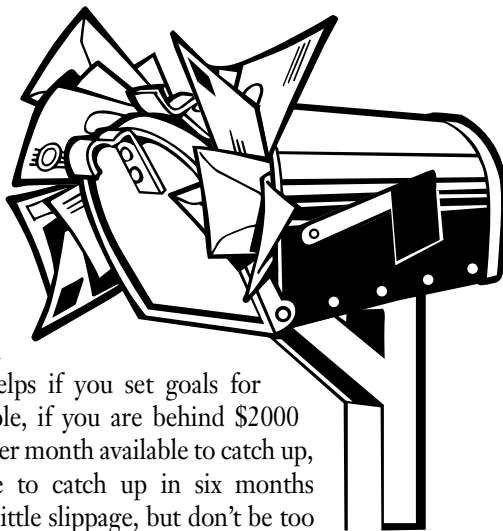
Many of our new clients are behind on all of their bills when they join the program. While we can put many bills on a Debt Management Program, some of them we can't. People often decide which bills to pay based on pressure from the creditors and fear of the consequences. That often results in paying more than they have to and losing important property and services. Here are some things to keep in mind when catching up:

- Catch up gradually. You didn't get into this mess overnight and you aren't going to get out of it overnight either.
- Know how much you have available to catch up. A good place to start is by tracking your expenses and creating an accurate budget.
- Pay enough to keep essential items from being taken away or disconnected. For example, if you are several months behind on electricity, you may be able to stop them from disconnecting it by paying the current month plus a small amount on the arrears.
- If you are being charged a late fee every month on several bills, try to get one bill at a time current, so you can stop one of the late fees.
- Talk to your creditors. Most of them are not really horrible people. They just want their money. They are not usually interested in your problems, but they will be interested in your plan to catch up.

- Some creditors are legally obligated to work with you. This is true of HUD mortgages (yours might be one and you might not know it).

• Catching up can be frustrating. It helps if you set goals for yourself. For example, if you are behind \$2000 and you have \$400 per month available to catch up, your goal could be to catch up in six months (Always allow for a little slippage, but don't be too easy on yourself).

If you still don't feel that you know what to do, you may need professional help. It is available and it is free, as are all of our counseling services for our clients. We can give you a chart to use to set up your catch up plan, or we will help you set it up. Just call us and ask for the Client Guidance Department.



Consumer Debt Statistics...

Source: HomeSavers USA

- ◆ By the beginning of 2001, consumer credit card debt equaled \$644 billion.
- ◆ 13% of families in the United States have credit card debt that exceeds 40% of their income.
- ◆ By the end of 2000, outstanding consumer debt totaled \$1.456 trillion.
- ◆ By the end of 2000, there were 310,169 bankruptcies filed in the US.
- ◆ Bank credit card loans totaled \$568.4 billion in 2000.
- ◆ The average American household with at least one credit card carried a balance of \$8,123 in 2000.
- ◆ Americans charged more than \$1.2 trillion on their credit cards during 2000.
- ◆ According to the FBI, there are 350,000 to 500,000 instances of identity theft each year.

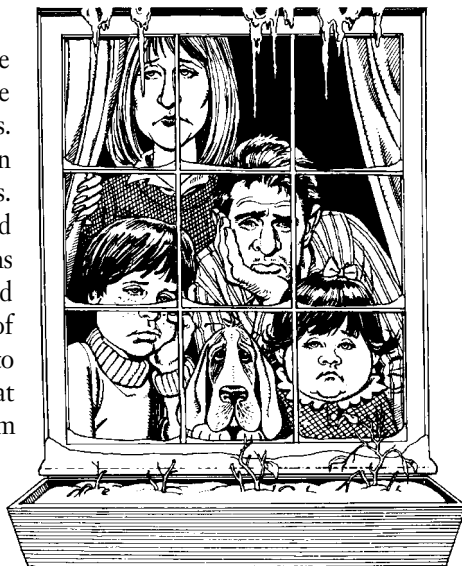
How To End The Cabin Fever Blues

By: Gina McCullough

With the winter months approaching and the daylight hours getting shorter, many people will start experiencing the cabin fever blues.

For many families, this means a lot of television watching, video game playing and elevated nerves. So what can you do to help ease the boredom and not spend an arm and a leg? A lot. The winter months can be a great opportunity for family bonding and tradition creating, a time to grow closer instead of apart. There are a lot of activities that cost next to nothing and will bring you fun and memories that will last a lifetime. Try some of these boredom busters or come up with your own:

- Instead of eating dinner at the table, lay out a blanket and have a picnic
- Switch roles for the night



- Work on a family scrapbook
- Take a family walk (weather permitting)
- Have a treasure hunt
- Make one night a week board game night (alternate games each week)
- Write a story
- Have a family awards night
- Take family pictures
- Play cards
- Have a family night talent show
- Go bird watching (weather permitting)
- Watch an educational television program and discuss it
- Go to the local library
- Make a family time capsule

Passwords To Protect Your Funds

By: Diane Giarratano (information compiled from MSNBC News)

Visa has recently announced that it is planning on adding password protection to credit card purchases made on-line. There has been a tremendous increase of fraud due to the lack of protection available for on-line purchases. Currently, there is no way for a merchant to know who's behind the keyboard. Anti-fraud measures like smart cards are useless on-line because consumers do not have smart card readers.

This password will be issued by the bank and will be required, in order to make a purchase on-line with your card. This is similar to needing a pin number at an ATM machine or a signature at a store. Although this may become cumbersome for some on-line consumers,

they would no longer be liable for any fraudulent purchases. Using the new password system would make the bank where the card is issued become liable.

Many e-commerce sites will be implementing the new system by this holiday season. Rest assured, when shopping on-line your funds will be protected!



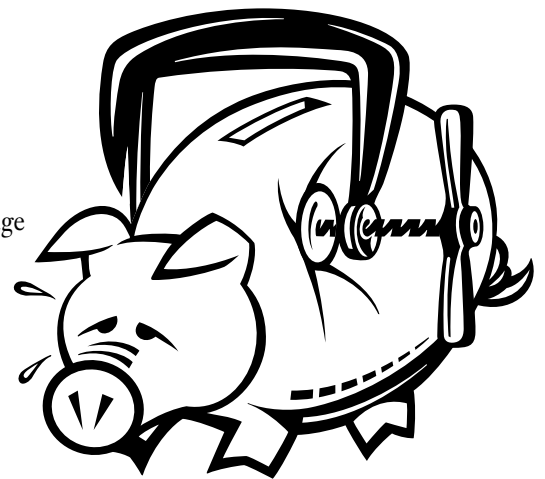
How Much Do You Know About Your Finances? *Take this true and false quiz and find out.*

Source: Executive Female Publication – By: Jennifer Openshaw



1. There are three different credit report companies from which you can get your report, all of which have the same information.
2. Typically, no more than 25% of your monthly gross income should go toward housing costs.
3. For every \$5,000 in credit card debt at 18.9%, you pay an extra \$4,300 in interest, if you make only the minimum payments required.
4. If you're self-employed, you can contribute part of your income to your own retirement plan.
5. You can practically cut your long distance phone bill in half, if you take the time to do on-line research at least once a year.

6. You can catch identity thieves by accessing your credit report.
7. Declaring bankruptcy destroys your credit for five years only.
8. A 401(k) or 403(b) plan is your best chance to sock away money for retirement.
9. Men are increasingly the chief financial officer of the home.
10. In divorce proceedings, if your ex has been given responsibility to make loan or mortgage payments for which you jointly applied, you are off the hook if he/she doesn't pay.
11. Trusts are often used to reduce taxes upon death, but they make sense only if your estate is worth \$2 million or more.
12. Failing to establish your own credit during marriage may make it difficult to obtain a mortgage or credit card after a divorce.
13. Women who own their own homes usually should not itemize deductions on their income taxes.
14. Women tend to be greater risk-takers than men when they invest in the stock market.
15. Men are surpassing women in using the Internet to invest.



Answer Key 1.F 2.T 3.T 4.T 5.T 6.T 7.F 8.T 9.F 10.F 11.F 12.T 13.F 14.F 15.F

"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.

Simple Tips to Slimmer Waists

Source: TopHealth

Everyone knows that eating right and exercising are the keys to weight control. But not everyone knows these tips to make your efforts pay off fast...

- **EAT BREAKFAST.** It's true...regular meals and occasional low-cal snacks help prevent the "famine-then-feast" syndrome. Great start: Fill up first thing with high-fiber cereal, whole grain bread or fresh fruit.
- **BITE INTO A PICKLE OR A LEMON.** Advantages: Neither has any calories to speak of, and the sour taste will curb your appetite. Don't have either? Try brushing your teeth.
- **POST A LIST** of small projects on the refrigerator. Then, whenever you're bored and tempted to snack, tackle an item from your list. Result: It will help you ride out crave attacks.
- **SERVE** yourself half the amount you usually eat if you tend to eat whatever is in front of you. And make less food look like more by using smaller plates.
- **EXERCISE IN THE MORNING.** Why: After fasting overnight, two-thirds of the calories burned come from stored fat, which contains more calories than carbohydrates-the main energy source in afternoon workouts.



■ **KEEP CALORIES BURNING** with aerobic exercise, like biking, swimming or rowing. Advantage: A single session burns calories during the workout and for several hours afterward.

■ **TAKE YOUR TIME.** It takes about 20 minutes for your brain to receive the signal that you are full. So gulping food quickly may lead to overeating. Strategies: Set your silverware down between bites, chew slowly, and savor each flavor and texture. And play soft, soothing background music, which tends to slow the meal.

When reading these tips, remember that though someone has once tried all of these, they have not all been tested for safety, etc. Follow the suggestions at your own discretion and your own risk. The authors of this section, as well as any contributors, cannot be held responsible for any damage or injury resulting from these suggestions.

5 Common Headache Triggers

Source: TopHealth

Headache sufferers spend more than \$4 billion a year on over-the-counter pain relievers. But prevention costs you nothing. Here are five leading headache culprits to watch out for:

- **STRESS** - Frayed nerves are a frequent cause of "tension" headaches and may also trigger migraines. Ideas: Take 30 minutes a day just to daydream, meditate or otherwise relax.
- **DIET** - Certain foods contain substances that can trigger headache pain. Examples: caffeine, red wine, processed meats, chocolate, cheese, citrus fruits, lentils, snow peas and monosodium glutamate (MSG).
- **EYESTRAIN** - Concentrating on one object for a long time (such as a computer screen) can cause temporary head pain. Suggestions: Take occasional "eye breaks" by looking out a window...consider an eye exam to see if a vision problem may be a factor.
- **SITTING** - Staying seated for long periods of time, especially if you are constantly on the phone or hunched over, can tighten muscles and lead to tension headaches. Self-defense: Shift position, stretch once a hour, stand during phone conversations or take a lunchtime walk.
- **SLEEP** - Too little or, surprisingly, even too much sleep can bring on headaches. Best: Control your brain's "clock" by going to bed and getting up at the same time each day, even on weekends.



Tips For Stress-Free Season

By: Kelly McGraw

Well, it's that stressful time of year again, and we are feeling a bit overwhelmed. We have come up with a list of ways to help relieve some of the pressure created by the holiday season. Hopefully, some of these suggestions will be useful all throughout the year.

- Go for a walk
- Turn off the lights and burn some candles
- Listen to your favorite song
- Build a snowman
- Play a board game
- Have a tea party
- Laugh
- Call a friend
- Write a letter
- Make paper snowflakes
- Take a yoga class
- Go caroling
- Make a fire
- Fly a kite
- Sing
- Have some hot cocoa
- Take a bath
- Write in your diary, start one if you don't have one
- Watch a movie
- Learn to sew
- String popcorn
- Roast marshmallows
- Make snow angles
- Dance
- Make your own wrapping paper
- Bake cookies
- Paint your nails
- Read a book
- Have some hot apple cider
- Take a nap
- Breathe



Remember: "Nothing positive can be accomplished by negative thoughts!"

Simplify Your Life

By: Sharon Hussain

Life can be hectic. The feeling of being constantly overwhelmed can inhibit even the most serious attempts to save money. A comprehensive plan for achieving financial recovery needs to address unhealthy behaviors, cluttered homes and overburdened schedules. Often overlooked, the effective management of these three key areas leads naturally to a lifestyle that promotes financial health. Additionally, with the added clarity of mind and body, space and time, many more opportunities for implementing money saving strategies will become possible.

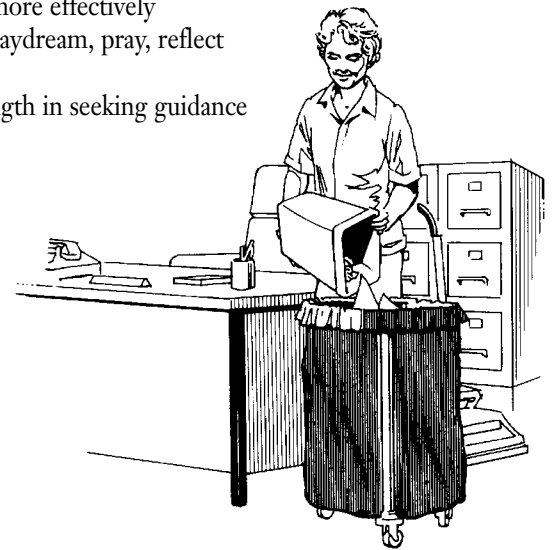


Attend to Mind, Body and Spirit

- Strive to maintain a healthy weight; consult your doctor for guidelines
- Incorporate regular physical activity into each day; exercise reduces stress
- Drink plenty of water; proper body function depends on it
- Get sufficient rest; it is essential for mental alertness
- Quit smoking; nicotine is mood-altering (and expensive, too!)
- Reduce/eliminate alcohol; use impairs mental and physical ability
- Reduce stress in your life whenever and wherever possible
- Make a conscious effort to handle remaining stress more effectively
- Take time each day for spiritual renewal; meditate, daydream, pray, reflect
- Live one day at a time; each day is a new beginning
- Seek professional help as needed; there is great strength in seeking guidance

Unclutter Your Physical Environment

- Think before you shop; buy only quality items that enhance your life
- Eliminate (give away, trade, donate or sell) excess seasonally
- Assign remaining items in your home/office a permanent location
- Minimize paper clutter by reviewing your mail when it arrives
- Put your bills together in one place, ready for bill-paying day
- Throw out junk mail (or better yet, get yourself removed from mailing lists)
- Develop a filing system that works for you
- Regularly purge paperwork that is no longer needed



Prioritize Your Time

- Assign a priority order to your daily to-do list; the ABC method works well
- Avoid over-scheduling yourselves or your children; learn to say "no"
- Allow extra time between activities to account for unexpected delays
- Minimize procrastination; time is wasted in avoidance
- Use your answering machine to screen calls; answer at your convenience
- Turn off the TV; this saves time, money and improves interpersonal interaction
- Help others; time spent in service to others greatly enhances the quality of life
- Schedule fun; recreation is a time for re-creation and rejuvenation

The ideas presented here are neither radical nor revolutionary. They are commonsense strategies that, when implemented, can improve your quality of life and bring you closer to achieving your financial goals. Give yourself time, though. Any new behavior can take as long as six months or more to become habit. Don't be afraid to ask for help. Change is difficult and can be frightening at times. It is perfectly normal to experience distress as lifestyle changes are being made (even though they are positive ones!) Relax, pat yourself on the back for working on improving your life and be confident that change will come. Others have simplified their lives and you can, too!

Suggested Reading

If your local library does not have the following books, they may be obtained through inter-library loan. Ask your librarian.



- *7 Simple Steps to Unclutter Your Life*, by Donna Smallin
- *Shelter for the Spirit: Creating Your Own Haven in a Hectic World*, by Victoria Moran
- *Simplify Your Household*, by Tara Aronson
- *Simplify Your Life*, by Elaine St. James
- *Simplify Your Life With Kids*, by Elaine St. James
- *30 Days to a Simpler Life*, by Connie Cox & Cris Ewatt

Dear Sandy...

Recently, I had my wallet stolen. I reported the theft to the police and called my bank and credit card companies. Is there anything else I should do to protect myself?
John, Albuquerque New Mexico

Dear John:

There is one more thing you should do. About a month after you have reported everything you should get a copy of your credit report from all three major credit bureaus. Call me if you need the numbers.

You want to be sure the thief hasn't used your information to apply for more credit and that the credit card companies have reported the stolen accounts as closed.

Here's a hint for the future. Never carry more than one credit card. That way if it does get stolen, you have only one call to make.

◆ ◆ ◆ ◆ ◆
Dear Sandy:

Lately, it seems like I have no money left over at the end of the month. My paychecks are just coming and going. What should I do to help save money?
Kathy, Trenton New Jersey

Dear Kathy:

It seems that you have enough money to pay your bills, just not enough left to save. The trick is to consider savings as just another bill. Decide in advance how much you want to save and have that



Sandy works as Garden State Consumer Credit Counseling's Financial Advisor and currently authors our "Dear Sandy" column. She advises GSCCC clients on money management and investment issues. Sandy previously worked for many years for a large bank approving personal loans and credit cards. She has a MBA in finance from New York University and has a certificate in Financial Planning from Adelphi University.

money transferred directly from your pay to a savings account in a bank that is not too convenient (maybe in another state). Don't get an ATM card for that account.

Start small so you don't miss the money. Then when you get a raise, raise the savings amount too. And don't be too ambitious. As long as you are moving in the right direction, you are a success.

◆ ◆ ◆ ◆ ◆
Dear Sandy:

My husband just lost his job because of the World Trade Center disaster and we don't know what to do. He is looking for a new one, but I am not sure what to do in the meantime. Should I contact my creditors and tell them what's happening?

Melissa, Hoboken New Jersey

Dear Melissa:

You are one of the thousands who have been affected by the WTC disaster. It's a good idea to call your creditors, so they don't think you just decided not to pay. But wait a minute.

When you call your creditors, what are you going to tell them? Can you make a partial payment or no payment at all? When can you make that payment? Should you pay a little to each creditor or pay some and skip others? Are some creditors more important than others?

Your creditors will be more receptive to your situation if you call them with a plan rather than a sad story. Although your husband has lost his job, he will be getting unemployment and there may be other benefits that you are entitled to. You may be able to cut some expenses to reduce the impact.

Why don't you call me and I'll help you work out a plan.

The Recipe Corner (Inexpensive Delicious Recipes)



If you have an inexpensive and delicious recipe that you would like to share, please write to us at
GSCCC Newsletter, 225 Willowbrook Road, Freehold, NJ 07728
or e-mail us at Newsletter@GardenStateCCC.org

Vicky's Pojo Guisado (Chicken in Orange Sauce)

You will need:

- 1-3 lbs of chicken parts (thighs, drumsticks)
- 1 can tomato sauce/1 can of water
- 3/4 cup of cooking wine
- 1 jar Sofrito/Recaito (found in Goya section)
- Salt
- Pepper
- Garlic
- Cumin
- Sazon
- 1-2 bay leaves
- 1 potato
- 1/4 cup of olives

Directions:

In large pot, place at medium-high heat. Place 3/4 of the jar of Sofrito in pot, simmer for a few moments, then place tomato sauce, seasonings, olives, potato and chicken. Let simmer for another 5 minutes, then add water and wine. Cover and let cook at medium heat for about 20-30 minutes, or until chicken is cooked thoroughly. It should have orangish color. Season to taste.

Dear Sandy:

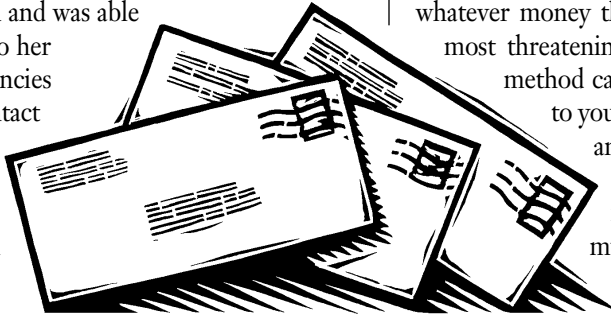
My grandmother is disabled and doesn't get enough money to cover her expenses. Between medical bills and her prescriptions, she is having a really tough time. Where can she go for help?

Brian, Hazelton Pennsylvania

Brian's letter was very difficult for me to answer because I didn't know anything about his grandmother, except that she must be terrific to have a grandson who is so concerned for her. I called him and got some specific information and was able to give them advice that applied to her situation. I gave them a list of agencies and websites that they could contact to find out what programs they were eligible for. Grandma Rose was able to apply for senior citizens housing, free prescription drugs and Meals on Wheels by contacting these agencies.

This is the list I gave Brian. If you have similar problems, you can try them.

- Aarplifeanswers.com Lists local programs
- Benefitscheckup.org Lists state and federal programs
- Pharma.org (202) 835-3400 Free prescription drugs
- Medicineprogram.com (593) 996-7300 Free prescription drugs
- United Way (800) 411-8929



Dear Sandy:

I am a client on your program and you have helped me get my credit card accounts in order. Is there anything I can do to catch up on my other bills?

Kristine, Fort Lauderdale Florida

Dear Kristine:

If you want to catch up on your other bills you first need to know how much you are behind and how much is available to catch up. That may sound obvious but most people try to catch up by sending whatever money they have on hand to the creditor that sends the most threatening letter or makes the nastiest phone call. This method can result in repossessions, turnoff notices, damage to your credit report, missing your favorite TV program and more threatening letters and nasty phone calls.

Here is a better way. Make a list of how much you are behind on each bill. Figure out how much is left in your budget after you pay the current amount on each bill. Allocate the money based on how much it hurts not to pay the bill. For example, you want to catch up on your electricity because they can turn it off, rather than the orthodontist who isn't going to come and take your kids' braces back.

If this sounds complicated, there is an easier way. You can call the Client Guidance Department here at Garden State Credit. We will provide you with charts and a budget manual, so you can do it yourself. If that still seems complicated, we will help you do it.

*If you have a question you would like Sandy to answer in an upcoming newsletter, please write to:
GSCCC Newsletter, 225 Willowbrook Road, Freehold, NJ 07728
or e-mail us at: Newsletter@GardenStateCCC.org*

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Linda's Cream Turkey/Chicken

You will need:

- 3-4 cups of diced Turkey/Chicken
- 1 can of Peas
- 2 cans of Cream of Mushroom
- 2 Tsp. Of butter or oil
- 4 cups of rice or pasta (optional)

Directions:

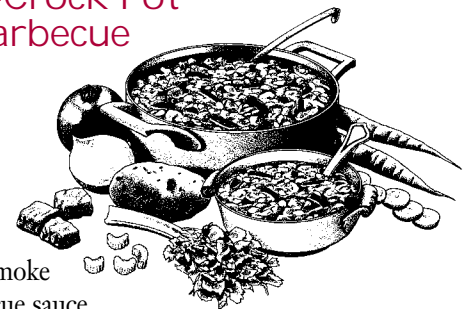
(Heat/fry/turkey/chicken) in butter or oil. Add 2 cans of cream of mushroom, stir, add drained peas, heat and serve over rice or pasta. Very economical and is quite a favorite in my home!



Bill's Carolina-Crock Pot Pulled Pork Barbecue

You will need:

- Pork shoulder
- 1/2 cup white vinegar
- Salt
- Pepper
- 2 Tablespoon liquid smoke
- 3/4 to 1 cup of barbecue sauce (vinegar based is best)



Directions:

Take fresh pork shoulder (3-4 lbs or sized to fit your crock-pot). Place fat side down in crock-pot. Salt and pepper to lightly cover the meat. Pour 1/2 cup of white vinegar in pot (No other liquid). Cook at low (about 300-325) for almost 4 hours. Drain liquid. When cooled, pull the pork away from the bone. Discard all fat; return pulled pork to crock pot. Sprinkle with liquid smoke. Add barbecue sauce. Stir gently. Simmer until ready to eat.

Keeps about 2 days in the refrigerator. Freeze leftovers! Enjoy with cole claw, baked beans, cornbread and iced tea!

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GARDEN STATE CONSUMER CREDIT COUNSELING, INC.
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FREEHOLD, NJ 07728

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