

# The Penny Pincher

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

## NJ FLAN...Continuing Our Commitment to Financial Literacy

Source: *Becky Winters*

As a participating member of the New Jersey Coalition for Financial Education, Novadebt remains current on all initiatives that promote and deliver financial literacy for the young and old alike. Provision of financial education services to families and individuals in need is so important to Novadebt that we include it in our Mission Statement. One such effort that Novadebt is proud to be a sponsor of is the New Jersey Financial Literacy Awareness Network (NJ FLAN). NJ FLAN is an association of public and private organizations working to put much-needed financial education and resource materials, in English and Spanish, in the hands of adults and children throughout the state. "This program, coupled with our other financial literacy efforts, will allow us to reach out to children, parents, senior citizens and everybody in between," NJ Department of Banking and Insurance Commissioner Holly C. Bakke said at the July 21, 2004 kickoff. "Financial literacy, like general literacy, truly is a cradle-to-grave issue." Because Novadebt has established relationships with over 200 social service agencies throughout the state, we are already aware of the need for these learning resource centers.

Co-private learning centers will be placed in locations for participants who have expressed an interest in this program. Financial Literacy Education Resource Guides will be available at each site, for use as a reference to a diverse selection of financial education materials. Visitors will have the ability to browse among this variety of materials without the annoying pressure of a sales person or the stigma associated with having financial difficulties. They will also have access to workshops and seminars that are scheduled in their immediate geographical area. Additionally, there will be a computer software resource component for individual use at the resource center locations.

Novadebt is currently meeting with interested parties to



establish resource locations. We are excited in this effort and will share the selected locations to be sponsored by our agency in our next newsletter. In the meantime, should you like to obtain additional information, please feel free to reference [www.njflan.com](http://www.njflan.com). One of the most important components of our services is our dedication to consumer education. We provide counseling sessions, workshops and educational material in many areas including Budgeting, Tracking Expenses, Identity Theft, Collections Agencies, and Home Buying, to name a few. Just reference our website at [www.novadebt.org](http://www.novadebt.org) for additional Financial Education information or email us at [education@novadebt.org](mailto:education@novadebt.org) with any questions.

This is a very important step in our ambitious and evolving efforts to help New Jersey's consumers help themselves. Representatives from other states are already examining this initiative. We will keep you informed as to the availability of these resources as it extends beyond New Jersey. As a partner in this program, Novadebt is focused to arm consumers with the tools they need to understand, improve their credit and finances and give them the skills needed to operate successfully in the changing financial marketplace. ■

## The Penny Pincher

If you have any comments or suggestions for future newsletters, please write to:

225 Willowbrook Road, Freehold, NJ 07728  
email: [newsletter@novadebt.org](mailto:newsletter@novadebt.org)

Editor: Jaime Regen

Proofreaders: Becky Winters, Gina McCullough, Diane Giarratano

*"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.*



novadebt

# Dear Novadebt...

Source: *Novadebt Clients*

"I was really at the end of my rope when I called your company. I didn't know how I was ever going to get out from under the incredible debt that I so foolishly got myself into. You showed me how to get myself on a budget...AND STICK TO IT!! When I recorded my spendings that first month, I realized there were many areas I could cut back on and I am now very aware of where EVERY PENNY of my money goes! I can honestly say I don't miss the credit cards at all!!! Although it is a slow process, I'm finally seeing some relief in my bills. I don't feel like such a loser anymore and I have your company to thank for that! I will do everything in my power to make sure every payment is on time until my debt is taken care of. You did your promised part and I will do mine."

"Your agency helped me get my life in order, financially. When I was drowning, your agency made it possible for me to stay afloat and established an affordable method of paying my creditors."

"Through hard work, careful planning and the excellent courteous help that I received from your company, I have gone from several creditors ringing my phone and many sleepless nights down to less than a couple of hundred dollars to go. You gave me hope and that was all that I truly needed."

"When I walked into your office, I came in with bills I hadn't even opened from months before. It was quite a stack. I was so afraid I was going to be told it would cost \$1000 per month to get this debt down. It wasn't...it was a reasonable figure and I never missed a payment. For the first time, I did not feel stupid or ashamed. Whenever I had questions, they were promptly answered and I was never concerned where my money was going. Everyone in your company should be proud of the work they do. I don't think they realize the impact they have on their customer's lives."

## What's Really Important?

Source: *Gina McCullough*

When I originally began coming up with article ideas for the Penny Pincher, different topics ran through my head; money saving tips, dealing with the stresses of finance, cheap back to school ideas, etc. But the more I thought about it, although these are very educational topics, I decided to do something a little different. Please bear with me as I relate my views on what is really important.

Becoming a new mother has really put things into perspective for me. What used to seem important, now doesn't seem so intense. Before my son was born, every little issue seemed enormous. A bad day at work could consume my week. An argument over finances could make me want to pull out my hair – or his! Not being able to get the house cleaned and dinner made because I was just worn out. All of these things, and many more, seemed so important and would occupy a large amount of my mind. Now that Joey is here, he has helped put things into perspective. If you don't have a child, it may be friends or family that can help you realize what is truly important.

Life is too short to worry about the little things – like the book "Don't sweat the small stuff because it's all small stuff". I know it can be difficult dealing with day-to-day issues, but you don't have to let them bring you down or consume your every minute. Acknowledge the positives of each day and be thankful for what you have.



I would say 90% of Americans worry about finances. The number one argument among married couples is about money. There are situations that cannot be changed and there are those that can. Dwelling on the negatives won't turn the situation into a positive. I know – I've tried. Coming to Novadebt to get help with your financial situation is one of the most positive moves you could make. Yes there are things that you still need to do, monitor statements, send in timely and full payments, and notify us of any problems. But once you have done that minor portion – let us worry about the rest for you. Take time to focus on what is really important to you. It could be your children, your significant other, your family,

your friends, your job; whatever it is that brings you joy and makes you put everything else into perspective.

If you had a rough day at work, your child got a detention, you got stuck in traffic and it took you an hour to get home – are these things that are truly important, or is it more important that you have a job, your child is healthy and you made it home safe? Don't stress over the little things, everyone can find something positive in their life. Focus on that. Realize that even if your house is a mess and there are dishes in the sink that there are people who don't even have a house to live in. Family, friends, enjoying life, these are some things that are truly important. ■

# The Future of FICO

Source: [www.bankrate.com](http://www.bankrate.com)

Imagine this, you're thinking about refinancing your mortgage, but you know your credit could use a bit of buffing. So you start doing all the things that the financial wizards say you should. You pay off a couple of credit cards with balances and close a couple of others that you don't really use. Not too much later, you get an email telling you that your credit score is now high enough to qualify for the best interest rate. Or try this. Same scenario, but you're not sure which activities will help your credit score and which ones will hurt. So you pull up a credit score simulator and play with the variables to see how much you can boost your score if you pay off all your balances, or if it's enough to pay off just one.

Credit scoring is getting smarter, and friendlier for most consumers to use. The second scenario already is available from a variety of companies; the first should be coming online this year from the folks at Fair, Isaac and Co., the creator of FICO score.

By way of introduction, credit scores are widely used in the financial industry. The three-digit number is a result of a mathematical algorithm. It's designed to help banks, credit card providers, auto loan companies and others decide how good a credit risk you are and it can make a tremendous difference in the interest rate you'll be offered.

Derived by comparing your credit history and payment behavior with thousands of other borrowers, the scores generally fall in the range of 500-850. The higher the number, the better. According to Fair, Isaac, at a time when a person with a FICO score of more than 720 would pay 5.829 percent interest on a mortgage; a person whose score is below 560 would pay 8.740 percent for the same loan.

## ■ Your Financial Shadow:

The mortgage industry has used credit scores for years to help speed up the lending process. They're also widely used for car loans and are driving force behind online, "instant" credit card approval. Plus, they've become standard in the insurance industry for setting rates for car insurance. Employers use them to screen applicants, particularly those for money-handling positions. Landlords access them for potential tenants to see who's most likely to pay their rent on time.

Now it appears that banks are checking their customers' credit histories to decide how much money can be withdrawn from an ATM on any given day. The Cleveland Plain Dealer reported in the fall that customers of some banks had seen their ATM limits raised or lowered based on their creditworthiness. "I hadn't heard about that one, but it makes sense," says Craig Watts, spokesperson for Fair, Isaac and Co. "It's a stretch, but it's an extension of the risk-decisioning process." And, of course, now that credit scores aren't a deep dark secret to be kept from consumers at all cost, just about everyone is offering consumers the chance to buy them.

With so many companies offering their own version of credit scores, it's no surprise that Fair, Isaac and Co. has a "certified score" in the works. The idea is that consumers could go to the company's website, purchase a current, official FICO score and "use that as a bargaining lever with lenders to get lower rates," Watts says.

Prof. Mark Oleson, director of the Financial Counseling Clinic at Iowa State University, also is a marriage and family therapist. He says that while he's read about financial institutions and insurance companies using credit scores more often, he hasn't seen any research to back up the claims that they're accurate predictors of other kinds of behavior. "You can make a rational justification, but I haven't seen much proof," he says. Still, it makes sense to him to expand the use of credit scores to such areas as employment screening. "I've never met anyone who has financial problems who doesn't have other problems," he says. "You're more likely to miss days at work, have marriage problems, have other relationship problems. It makes sense if you have a low credit score that you will have problems in other areas."



Employers looking to screen a large number of applicants could easily see a credit score as an effective way to narrow the field, Oleson says. "If I'm looking to hire someone and 50 people look exactly the same on paper, I can filter through applications and see who has the extra baggage," he says. "It seems like money management is an easy way to filter people. There's this line drawn for people who do it well or don't do it at all. The biggest problem, of course, is the elimination

of the human side of the decision-making process," Oleson says. Two people side by side could have the same \$5,000 in credit card debt, but one of them could have run up the bill on Spring Break bender while the other is a single parent who got laid off and used credit cards to feed her child.

## ■ Customized Credit Scoring:

One trend in the use of credit scores that consumers should pay attention to is the tendency of lending institutions to overlay their own underwriting criteria on top of the score. The result is that a score will mean different things to different lenders. A score of 680 might be seen as average to one lender, but as quite good to another. The bottom line: If you don't like what you're hearing from one lender or credit card, go shopping.

"Scoring is changing," says Mike Mazzola, president of CreditXpert. "Washington Mutual advertises that they use their own decisioning criteria. I see a trend toward that. Business is so competitive that lenders have gone from granting credit to lenders elbowing each other to earn your business." Of course, every system has its pluses and minuses. As Oleson notes, if you have good credit, the system makes things easier for you. If you have poor credit, it can be a barrier to getting a break.

Harvey Warren, president of Washington, D.C. - based National Consumer Council, says that while credit scoring is a better system than the "financial chaos" of having no predictive model, he has serious concerns about them. The problem, he says, is that while mortgage applications still get a good deal of personal attention, may other credit issuers don't look at anything except the score before giving an approval, particularly since a lower score translates into a higher interest rate. He sees a correlation between their burgeoning use and the record-breaking levels of consumer debt. ■

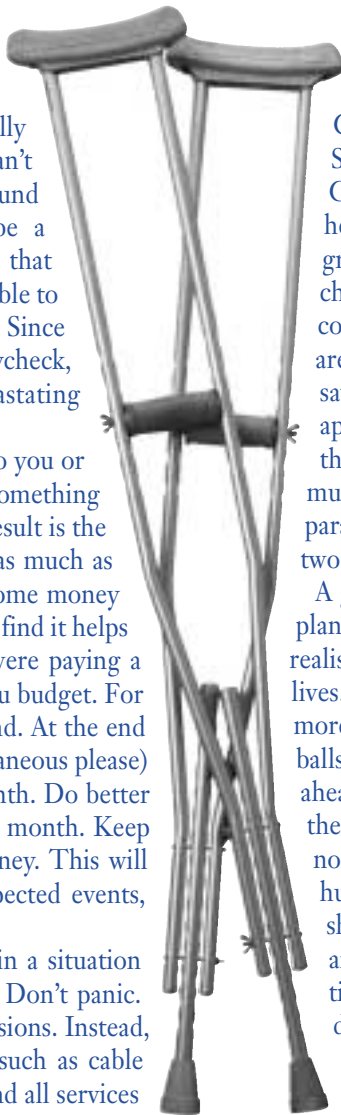
# Temporarily Out of Service

Source: Sharon Hussain

Everything can be just fine when all of a sudden, wham, you fall over a crack in the pavement, break your shoulder and are totally out of commission for two months. You certainly can't work; you can barely even get out of bed. Sound impossible? Believe me, it's not. It may not be a sidewalk crack or even a broken shoulder for that matter, but becoming temporarily disabled and unable to work due to injury or illness is not that uncommon. Since the majority of Americans live paycheck-to-paycheck, even being temporarily sidelined can be devastating financially, as well as physically and emotionally.

Hopefully nothing like this will ever happen to you or your loved ones, but chances are, at some point, something will. Whether an illness, injury, or job layoff, the result is the same - decreased income. The key is to pre-plan as much as possible. Try as hard as you possibly can to save some money each month while you are bringing in a paycheck. I find it helps if you set that money aside first, as though you were paying a bill. Tracking spending is a valuable tool to help you budget. For at least a month, write down every penny you spend. At the end of the month, categorize your expenses (no miscellaneous please) and evaluate where you can do better the next month. Do better the next month and better than that the following month. Keep aiming to lower your expenses and save more money. This will help you build a cushion for some of life's unexpected events, both good and bad.

What do I do, you may ask, if I find myself in a situation without a cushion and it is too late to build one? Don't panic. Panicking just creates chaos and leads to poor decisions. Instead, spring into action mode. Immediately cut extras such as cable TV and additional phone services. Apply for any and all services



you may be entitled to, even if you think your situation will be very short-lived, you never know. Call your creditors and let them know what happened. See if payments can be deferred. Prioritize your bills. Call upon friends and family who may be in a position to help. Even if the help is not directly monetary, accept it graciously. A family member who offers to watch the children can save you money indirectly in babysitting costs and free up your time to be productive in other areas. A sister who brings over a home-cooked meal can save you grocery expense as well as time. Try to anticipate approximately how long your hardship is likely to last; then add an extra few months, just in case. Be realistic. As much as that person with the broken shoulder in the first paragraph would have liked to return to work after a day or two, it was impossible.

A good rule of thumb to live by is: Hope for the best and plan for the worst. That is not negative thinking, it is realistic thinking. We are imperfect beings, living imperfect lives. We get hurt, get sick, lose our jobs, etc., etc., etc. The more we accept the fact that life is bound to throw us curve balls every once in a while, the more of a priority planning ahead will become to us. I guarantee that even people on the tightest budgets and with the lowest incomes can find non-essential expenses to cut (how about those cigarettes, huh?) I can't think of any exception to the rule that we should ALL be living below our means. So, whether you are reading this while still able to pay all of your bills on time or you are in the throes of a month with too many days for your money, take heed. Cut expenses, preserve income as much as possible and plan, plan, plan. ■

## 15 Simple Ways to Squeeze Your Budget

Source: [www.bankrate.com](http://www.bankrate.com)

Motivating yourself to save money for unexpected events such as a job loss or a major medical bill is difficult. It is more fun and somehow easier to stash away money for an immediate goal such as a new stereo system, summer vacation or the latest fashions...but building and maintaining a savings cushion is vital for your financial health. Most financial experts recommend having a minimum of three months' worth of living expenses set aside in case of an emergency.

If you find it challenging to steal away some cash from your budget to put into a savings account, here are a few ideas:

- Focus your spending. Create a budget and track your spending. After seeing where your money goes, it's much easier to decide where you can cut. Then live by it.



- Treat saving like a bill. Consider your monthly savings amount as a bill that has to be paid. Consider having the amount transferred automatically from your checking account or paycheck. Pay your account every month or every two weeks.
- Think small. Many people don't think their budget allows room to save, but even a small amount adds up over time. Depending on the size of your family, skipping a meal out each week could result in a \$160 per month savings deposit. That's \$1,920 a year after taxes! Take a good look at your spending habits and you probably can find \$150 or so each month in extras that you could do without to build up savings.
- Save your raise. The next time you get a raise at work or a tax refund, consider directing half to savings. If you're not used to the money, you won't miss it.

# Guidelines for Avoiding Online Fraud

Source: <http://myfidelity.members.fidelity.com>

Internet criminals casting about for people's financial information have a new way to lure unsuspecting victims: they go "phishing". Phishing is a high-tech scam that uses spam email messages to deceive consumers into disclosing their credit card numbers, account information, Social Security numbers, passwords and other sensitive information. An estimated 57 million Americans likely have received phishing emails, according to a recent study by Gartner Inc., a high technology research firm. Financial institutions, large e-commerce firms, and Internet service providers have been targeted. The emails pretend to be from businesses the potential victims deal with – for example, their Internet service provider, online payment service, or bank.

The fraudsters often tell recipients that they need to "update" or "validate" their billing information to keep their accounts active, and direct them to a "look-alike" website of the legitimate business, further misleading consumers into thinking they are responding to a bona fide request. Unknowingly, consumers submit their financial information – not to the businesses – but to the criminals, who use it to order goods and services, compromise accounts and redeem funds, and obtain credit. In this way, criminals can also steal your identity. This form of online fraud continues to cause a great deal of concern. The "phishers" are successful about 5% of the time in getting people to respond to their emails, according to the Anti-Phishing Working Group, an industry association aimed at eliminating online identity theft and fraud. "Phishing is

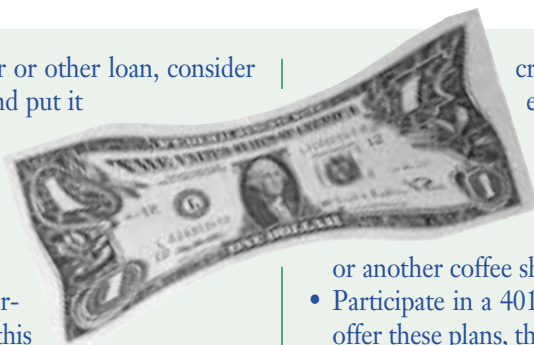


a significant problem in terms of how widespread it has become," said David Jevans, chairman of the Anti-Phishing Working Group. "The number of reports is growing at a rate of 40% to 50% per month."

To avoid getting caught by one of these scams, the Federal Trade Commission (FTC) offers this guidance:

- If you get an email that warns you, with little or no notice, that an account of yours will be shut down unless you reconfirm your billing information, do not reply or click on the link in the email. Instead, contact the company cited in the email using a telephone number or by typing in a website address that you know to be genuine or using one from your "favorites" list.
- Avoid emailing personal and financial information. Before submitting personal or financial information through a website, look for the "lock" icon on the browser's status bar. It signals that your information is secure during transmission.
- Review credit card and account statements as soon as you receive them to determine whether there are any unauthorized charges. If your statement is late by more than a couple of days, call your credit card company or bank to confirm your billing address and account balances.
- Report suspicious activity to the FTC. If you believe you've been scammed, file your complaint at [www.ftc.gov](http://www.ftc.gov) and then visit the FTC's Identity Theft website to learn how to minimize your risk of damage from identity theft. ■

- Continue paying. When you pay off a car or other loan, consider making half of the payment to yourself and put it into your emergency savings account. You will not miss the money if it is put into savings, but you will find a way to spend it if it remains in your checking account.
- Turn off the TV. Don't listen to the advertisements, "Zero-percent interest. Buy this now!" Ignore sale flyers or mail-order catalogs. The latest sale tempts you to spend money unnecessarily.
- Think before you charge. Unless you're in the habit of paying your credit card bill in full each month, don't use the cards for anything you can eat or wear.
- Consider a refinance. Interest rates are exceptionally low. Consider refinancing your mortgage and your car loan.
- Alternate your commute. If you live in an area that has good public transportation, see if you can get around without the car. Maybe you can get by on one car instead of two.
- Conserve energy. Do an energy check on the house. Replace



- cracked storm windows and renew the weather stripping.
- Read not, waste not. Don't renew subscriptions to magazines or newspapers you're not reading.
- Java-jolt savings. If you stop at Starbucks or another coffee shop each morning, make coffee at home.
- Participate in a 401(k) or 403(b) plan. If your employer doesn't offer these plans, then you could start saving in a tax-advantaged IRA or Roth IRA account.
- Involve the whole family. Even the youngest child can contribute change to the savings goal. It is easier for children to get involved if they understand why they must give up pizza night (or at least cut down the number of toppings!) Also, you are setting a good financial example for your children.
- Plan a treat for you, your family or both when you reach your emergency savings goal! Make it something everyone will look forward to, but not something very expensive, like a day at the zoo or at the beach. The important thing is to mark the occasion and congratulate yourself and all those who helped! ■

# How Much Sleep Do You Need?

Source: [www.lifeworks.com](http://www.lifeworks.com)

(Adapted from the National Institutes of Health by HealthGate Editorial Staff)

The amount of sleep each person needs depends on many factors, including age. Infants generally require about 16 hours a day, while teenagers need about nine hours on average. For most adults, seven to eight hours a night appears to be the best amount of sleep, although some people may need as few as five hours or as many as 10 hours of sleep each day. Women in the first three months of pregnancy often need several more hours of sleep than usual. The amount of sleep a person needs also increases if he or she has been deprived of sleep in previous days. Getting too little sleep creates a “sleep debt”, which is much like being overdrawn at a bank. Eventually, your body will demand that the debt be repaid. We don’t seem to adapt to getting less sleep than we need. While we may get used to a sleep-depriving schedule, our judgment, reaction time and other functions are still impaired.

People tend to sleep more lightly and for shorter time spans as they get older, although they generally need about the same amount of sleep as they needed in early adulthood. About half of all people over 65 have frequent sleeping problems, such as insomnia, and deep sleep stages in many elderly people often become very short or stop completely. This change may be a normal part of aging, or it may result from medical problems that are common in elderly people and from the medications and other treatments for those problems.

Experts say that if you feel drowsy during the day, even during boring activities, you haven’t had enough sleep. If you routinely fall

asleep within five minutes of lying down, you probably have severe sleep deprivation, possibly even a sleep disorder. Microsleeps, or very brief episodes of sleep in an otherwise awake person, are another mark of sleep deprivation. In many cases, people are not aware that they are experiencing microsleeps. The widespread practice of “burning the candle at both ends” in western industrialized societies has created so much sleep deprivation that what is really abnormal sleepiness is now almost the norm.

Many studies make it clear that sleep deprivation is dangerous. Sleep-deprived people who are tested by using a driving simulator or by performing a hand-eye coordination task perform as badly as or worse than those who are intoxicated. Sleep deprivation also magnifies alcohol’s effects on the body, so a fatigued person who drinks will become much more impaired than someone who is well rested. Driver fatigue is responsible for an estimated 100,000 motor vehicle accidents and 1500 deaths each year, according to the National Highway Traffic Safety Administration. Since drowsiness is the brain’s last step before falling asleep, driving while drowsy can – and often does – lead to disaster. Caffeine and other stimulants cannot overcome the effects of severe sleep deprivation. The National Sleep Foundation says that if you have trouble keeping your eyes focused, if you can’t stop yawning, or if you can’t remember driving the last few miles, you are probably too drowsy to drive safely. ■

# Frugal Holiday Dinners... Food is the Essence of the Holidays. Keep It Frugal.

Source: <http://frugalliving.about.com>

Traditional food includes a turkey or ham dinner as well as ethnic dishes and special dishes for various other holidays that come at this time of the year, but the method of doing it all up frugally is the same. Plan ahead. You should already have planned ahead to a certain extent, when you took advantage of cheap and frugal produce this summer and fall to stock your pantry and freezer. In case you didn’t, start now.

Inexpensive produce right now includes squash, pumpkin, yams and apples, so plan to use them to the fullest extent and avoid overpriced, out of season vegetables. Before you even do that, though, look to see what you already have on hand for a festive dinner in the way of vegetables. Put it aside (and label it if you must) for that special dinner.

It’s much more frugal to bake your own bread, especially if you find ingredients on sale, which they are now or will be shortly. Frozen bread loaves are generally more frugal than bread already baked, but if you decide against that, go looking now in your local bakery or bread outlet for day old bread. Freeze it until you need it, but whatever you do, don’t wait until two days before the dinner to go looking.

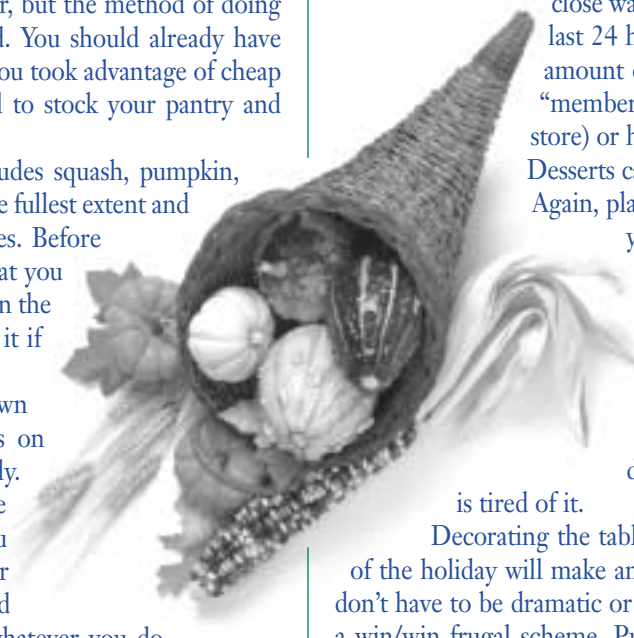
There are usually good sales on meat – turkey, beef roasts, hams

and sometimes seafood – just before the holidays, so unless you already have it in your freezer, wait to buy meat until then. Keep a close watch on the sales papers! Some sales only last 24 hours, some depend on you spending X amount of dollars in the store and some are for “members” only (those who have a “card” for the store) or have other stipulations.

Desserts can be very frugal and still be impressive. Again, planning ahead makes all the difference. If you have frozen berries or other fruit from earlier in the year, now is the time to use them, or plan on making use of inexpensive apples or oranges. Hint: To make a common fruit more special, don’t have it at all for at least a couple of weeks before the big dinner. It’ll be more welcomed if no one

is tired of it.

Decorating the table and surrounding area with the colors of the holiday will make any food seem more special. Decorations don’t have to be dramatic or expensive. Using food for decorating is a win/win frugal scheme. Put your imagination to work instead of your money and enjoy the holidays in style ■

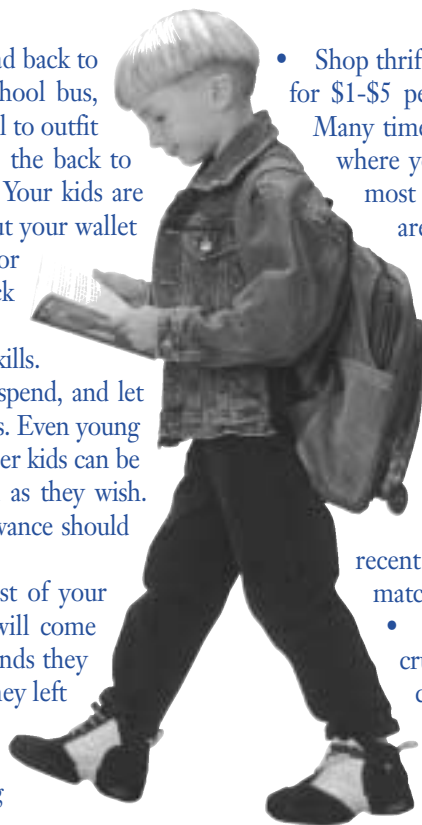


# Back to School Clothes on a Budget

Source: [www.mainstreetmom.com](http://www.mainstreetmom.com)

It's almost here again: time for the kids to head back to school, but before they set foot on that school bus, you'll most likely be heading to the local mall to outfit them for that first day. For moms on a budget, the back to school wardrobe can be a frightening prospect. Your kids are begging for Tommy, Ralph, and Doc Marten, but your wallet wants to head to Wal-Mart. Here are some tips for getting the most out of your back-to-school buck while still giving kids what they want:

- Use this as an opportunity to teach budgeting skills. Tell your kids how much money you have to spend, and let them participate in the decision-making process. Even young children understand the concept of money. Older kids can be given a clothing allowance for them to spend as they wish. Anything they want over and above their allowance should be paid for by babysitting, mowing lawns, etc.
- Buy only one outfit to start with, saving most of your money for later on. Chances are your kids will come home from school having seen all the new trends they missed out on and wished they had. With money left over, they can get what they really want. Plus retailers will start marking down their fall clothes after all the back-to-school shopping has died down a little.



- Shop thrift stores. Jeans, jackets, shoes, and shirts can be found for \$1-\$5 per item at your local Goodwill or Salvation Army. Many times, shops like these even have half-price or bag days where you can save even more. If you shop frequently, you most likely will be able to find the brand names your kids are looking for. No one will ever know that their “new” Gap sweatshirt is second-hand!
  - Check out e-Bay, the online auction service often has great deals on new or slightly worn clothing. You can name your price, with nothing to lose. Most sellers offer a photo of the items being sold, and have a seller’s feedback rating indicating the number of positive comments they’ve received, which can increase the first-time bidder’s comfort level. Search by size, brand name or description. A recent search on “Tommy Hilfiger” came up with 4,394 matches!
  - Realize that brand names DO matter. Kids can be cruel, and wearing the “wrong” labels can make your child the target of unwanted teasing and bullying. Teach your kids that their clothes do not define them, but do allow them to wear the brand names that are in demand. Happy shopping! ■

# Halloween Costumes... Tips for Keeping Kids' Costumes on a Budget

Source: [www.everythinghalloween.com](http://www.everythinghalloween.com)

Kids love dressing up for Halloween. It's a great time to let them express their imaginations. Here are some tips for low-cost, made at home creations:

- Ask your grocer for a potato bag. Cut arm and neck holes for your child. Don it over jeans and a plaid shirt. Tie a rope at the waist. Add a few wisps of straw and an old hat and you've transformed your child into a **scarecrow**.
- Give your kids some large pieces of foam, sticky paper and markers. They might transform themselves into **huge parking tickets** or **passes for sporting events**.
- For a **ghost**, use a left-over wedding runner. Just fold it and cut a hole in it, then tie the waist with yarn. If you shred the edges, it'll give the costume a creep effect. An old pillowcase can also do the trick.
- At dollar stores, you can use old hunter's fluorescent orange vests for **pumpkin** costumes. The bright orange keeps the kids visible when they're out trick-or-treating in the dark. With green turtleneck and pants and a fluorescent orange painter's cap, you've got a great **jack-o'-lantern**. The face can be drawn on the cap.
- Old bridesmaid dresses are perfect for **little princesses**, just pin up the skirt. You can buy a tiara for a few dollars or make a cone-shaped

hat out of poster board, then drape it with inexpensive netting.

- Old curtains can be recycled in many ways. Velvet is perfect for a **king's cape**. You can make a **magician** out of a bunch of old scarves. Use handfuls of them – around the waist and on the head – for a **gypsy** outfit. Costume jewelry and a colorful skirt complete the look.
- Face paint often is the final touch that makes the costume. Colorful oversized shirts and scarves make a good basis for a **clown** costume, but creative face painting gives the clown his character.
- Headbands are useful for propping up ears or antennae. Use an old animal-print jersey, felt ears on a headband and black tights to create a **cat**.

## Safety Tips:

- Costumes should not have trailing material.
- Pointed objects, such as swords and devil's forks, should be made of soft material.
- Children should carry a flashlight and their costumes should be brightly colored or trimmed with reflective tape.
- Be sure all parts of the costume are flame retardant.
- If your child wears a mask instead of makeup, double check that the eyeholes are large enough to see through clearly. ■



# The Penny Pincher Newsletter

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