

Duluth Saves Times

Brought to you by Community Action Duluth: A Financial Opportunity Center

COMMUNITY
ACTION
DULUTH

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Back to School: Back on Track

Brought to you by Dave Ramsey



Now that summer's over, it's time to refocus. It's really easy to let the budget slide during the summer break. Hey, we've all done it before—taking that extra day of vacation, going to the pool too many times or sending the kids to the movies because they're "bored".

Many people find themselves in debt or struggling with money when fall comes.

Then you have the fall expenses. School supplies are marketed everywhere we turn. "I want that backpack, and the glow-in-the-dark pens and the box of 1,000 crayons and, and, and...". Sound familiar? What happened to the days when eight crayons lasted the entire year?

Have you noticed how car dealerships have increased their marketing? They're trying to get you to buy the "perfect" vehicle so they can get their new models in. And of course, all the retailers are screaming, "come buy some new clothes for your fall wardrobe because you deserve it!" Really? You

deserve it?

Now more than ever, it's time to refocus and get back on track with your money.

It's so important to have a plan for your money every month. If you don't, you can easily fall into the no-good debt trap.

Here are some tips to help you get back on track:

1. **Sit down and evaluate:** Do you know what you have in your account—do you know what it means?
2. **Update or start your game plan:** A budget is your game plan—it's where you tell your money what you want it to do. Give every dollar a place!

3. **Put cash in envelopes:** Since you spend 12-15% more when you use plastic, try the envelope system. Take some envelopes, write budget categories on them and only use the allotted money to purchase things in that category. When the envelope is empty, don't purchase anything in that category—it can wait.
4. **Set boundaries:** This centers around our ability to say no and really mean it. Sometimes we have to say no and it's hard but you can do it!

Commit now to making your budget a priority over the next few months.

Just by incorporating these seemingly small changes into your daily habits you can reap many rewards in many different areas of your life!

It's time to get back on track and we're here to help!

218-726-1665



Community Action Duluth

Find out what's new at Community Action Duluth: Attend an orientation session any Tuesday at 1:00pm or any Wednesday at 5:30pm. No need to RSVP. You might be surprised with what we have to offer!

Happy Holidays!

It's October...why am I wishing you happy holidays already, we haven't even picked out the kids Halloween costumes or carved any pumpkins?

Well, for two reasons:

1. **Advertising:** It is only a matter of days until we are inundated with commercials, news paper ads, radio ads and billboards all screaming at us to spend, spend, spend! It's the holiday season and we all need this and want that and

it's going to be the best one ever! The "hype"—it's coming.

2. **Budget:** The "hype"—it's all fun and games until we get the bill. Right? Didn't we budget? Didn't we set up that holiday account? We talk about it every year...this year, let's act.

It's not too late! If you commit to just \$10/week until the new year, you'll have an extra \$150. If you can set aside an extra \$20, you'll have \$300 by the new year

hits! That means, you might not be tempted to pull out that credit card. That means you'll save yourself that interest. That means you won't roll-over that debt and be in the same place next year.

So what's stopping you?

Start now, save later and have a happy holiday season!



Reach Your Goals in 4

Brought to you by Dave Ramsey

People make a common mistake when they are setting goals for the new year. They pledge to do something and then subconsciously think they have to tackle the next 12 months right now. If the goal is to read 10 books, many people focus on "10 books" and they don't hear "this year". They get too overwhelmed and quit.

It may seem a little early to bring this up since the start of the new year is three months away but just like pro football teams gear up for the regular season with pre-season games, we have to

get ready for 2012 goal-setting with some advance planning. Now is the time to not only finish what you started in 2011 but also get ready for new and better things next year.

If you apply these quick tips when setting a goal for yourself, you'll find progress and success will start finding its way to you.

1. **Do Little Before Big:** Start small...try a week long goal and expand from there!
2. **Change Your Thinking:** When it comes to accom-

plishing an objective, learn how to be in it for the long haul—don't plan for or expect immediate results.

3. **Have an Accountability Partner:** Pick someone you trust to help hold you accountable for your action.
4. **Make Productive Habits Routine:** Think about your seat belt—if you've made wearing one a habit, you feel awkward without it. The same goes for other habits!

You can do it—start small and grow from there!

Are Credit Cards a Way of Life?

Brought to you by Dave Ramsey

When the first credit card was used in the 1950s, no one could have imagined how the landscape of personal finance in America would change over the next 60 years. But slowly, credit cards have become what some Americans label a “way of life”.

In 1970, only 15% of Americans had a credit card. In 1978, you had to be a millionaire, or pretty close to get an American Express Gold Card. Sometime in the 1980s, credit card companies figured out how lucrative marketing debt at a 18-32% interest rate could be. Profits soared and the perception of debt as a way of life began. **Today, debt is the most aggressively marketed product in the history of the world.**

In a study by Oregon State University, researchers found that **the public knew they shouldn't be in debt but kept taking on more debt because it was “normal”**. Younger participants said they felt like they had to go into debt in order to get a house and a car in the future. They also said their par-

ents encouraged them to use credit.

Just think about that for a minute. Before the 1950s, credit cards didn't exist. Now, they are perceived as a “way of life”, normal or a process of becoming successful in the future.

But, if you do normal stuff, you'll get normal results. In reality normal is 70% of Americans living paycheck to paycheck, foreclosures at an all-time high and more than 1.5 million bankruptcies in 2010. Normal is that the number-one cause of divorce in America is money. Normal is that people are stressed out, freaked out and underproductive at work because all they can think about is Mastercard, who calls them 20 times a day.

Normal is mediocre, average, bland. You don't want to be normal. Find out what normal is and run the other way.

Instead, think of ways to be unusual, extraordinary, exceptionally productive. **Do things like:**

1. Build an emergency fund of 3-6 months of expenses

2. Invest in a retirement fund
3. Pay off your student loan, credit cards or even your mortgage

Not many people disagree that these are great ideas but very few people act on them.



Get crazy. If you're in a bunch of debt, get angry about it. Stop using your cards and start paying your debt.

Doing the same thing over and over again and expecting different results is the definition of insanity. So stop the insanity and stop believing the myth that credit cards are a way of life. It's time to be weird.

Get started now! We can help!

JOIN US FOR WORKSHOP WEDNESDAYS!

Join us for our new Workshop Wednesday series, offered each month with new topics! All workshops are offered from 1pm-3pm and again from 6pm-8pm with childcare and a meal/snack provided. RSVP required.

October 5th: Show Me the Money—a discussion about financing college with LSC staff!

October 12: Interview Success—mock interview sessions with real employers—get feedback and tips!

October 19 : Investing Basics—a Q and A session with financial advisors in our own community!



Community Action Duluth
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www.communityactionduluth.org

Engaging the community to end poverty

Join us for a **FREE** class focusing on financial topics including homeownership

Next Class:

Saturdays

October 8 – October 29

8:00am–12:00pm

Call to register: 726.1665

Food and childcare are provided!

The “Lots” Myth

By Jon Acuff

The “lots” myth is one of the most popular myths in the history of money. Chances are you’ve heard it—or even spread it yourself.

Here it goes:

If I had lots of money, of course I would have financial peace.

If I had lots of money of course I would buy a car with cash.

If I had lots of money of course I wouldn’t need my credit cards.

If I had lots of money of course I could make wise decisions.

The phrase may change but the sentiment is always the same: **If I had lots of money...things would be different.** But is that really true? Is the secret of being at peace financially, lots of money? No.

Why is the answer no? Because life is constantly proving us wrong.

Think about professional athletes—

many of them have struggled their entire life with finances. Many of them have come from humble roots and are ecstatic to get their first professional sports contracts and checks. They have more than they could possibly ever need.



So, does this mean they make good financial decisions? No way! In fact, *Sports Illustrated* recently reported that **within two years of retirement, 78% of former NFL players have gone bankrupt or are in financial distress** due to joblessness or divorce.

Think about lottery winners, how often do you read an inspiring story

about how a lottery gambler changed his paycheck-to-paycheck lifestyle and set his family up for generations of wealth. Rarely. More than **70% of lottery winners squander all their winnings within a few years.**

Money doesn’t make us smarter, it just amplifies who we already are. If you’re a mess with a dollar, you’re a bigger mess with a million dollars and if you’re wise with a nickel, you’re probably a genius with a billion nickels. **Money isn’t the key ingredient here—the difference maker is your behavior.**

The belief that more money alone will solve your money problems is a myth. If you believe it, you’ll wait for your “lots of money” to show up before you start working. Don’t do that. **You’ve already got what you need to get moving, so get moving! Let us help; take our Common Cents class and find out more!**

Register today: 726-1665