



# COMMON CENTS

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# SPRING

## Why Save?

A lot of people view their access to credit as a safety net. "If I have an unexpected emergency I can use my line of credit or credit card to deal with it." This kind of thinking can eventually lead to a debt crisis because the next emergency often comes before the last one is paid off (creating a snowball effect).

To deal with life's little emergencies, a person should save on a regular basis (keeping the money in a separate bank account). The rule of thumb is to save 10% of your monthly income if you are gainfully employed and 2-3% if you aren't. This may not be a realistic goal initially but something is better than nothing; start small and work big. You can do it!



**Use your Common Cents!** To advertise in our next issue... call 254-1424 today!

Congratulations to the  
**UNITED WAY**  
for a very successful 2005 campaign!

## Christmas is coming... Are you ready???



### SUFFER FROM SPRING FEVER?

Some folks get the urge to clean, others will fall in love... and then there are those of us who have a genetic predisposition to spend! Before financing, ask yourself the following questions:

- Do I really need this right now?
- Can I save enough to pay cash for the item?
- Is it really worth it after adding up the entire cost (principal, interest, & service charges)?
- Will the item last as long as my payments?
- Do I have emergency savings set aside to take care of unexpected expenses?
- Am I living a paycheque to paycheque lifestyle?
- Can I afford an additional payment?
- Would my money be better spent somewhere else?

Asking yourself these questions each time you are about to finance something will help ensure that there are no regrets down the road!

## Digging Out of Credit Card Debt

**Try Setting a fixed amount for your credit card repayment:** Decide what you can afford and pay that exact same amount every month instead of only making the monthly minimum payment. Paying a few extra dollars can save hundreds, even thousands in the long run. For example, based on 18.9% interest, \$92.00 a month will pay out a \$1,000.00 credit card balance in 1 year. Half of the people who have credit cards choose to only make their monthly minimum payments. In the above scenario, paying a monthly minimum of 3% would mean more than 10 years of payments to pay off a \$1,000.00 balance and you would pay an additional \$879.87 in interest!





## Attention Area Employers!



Would you like to help your staff learn to get the most out of their paychecks? Want to ensure that your staff has reduced stress and is able to perform their duties as effectively as possible? We may be able to help!

As part of our preventative education program, we can provide a very informative group presentation to employees. We talk about budgeting, money management systems, wise credit management techniques, and debt relief options. If you would like to provide your employees with this valuable information, we would be more than happy to tailor a session to meet your needs. Events that we have participated in are: lunch and learn sessions and workday presentations.

This is a free service and includes resource materials for your employees to take home. For more information call Credit Counselling Services at 254-1424 today!

## Did

### You Know?

You don't have to be drowning in debt to use our services.

Learn how to make better use of your money and achieve those goals! We offer free confidential money management sessions. It's never too late to learn how to handle your resources better! Call us today... **254-1424**



"Effective, just, and humane responses to crime and its causes."



of Sault Ste. Marie & District

### Did You Know?

- **Our services are open to all**
- **We teach problem solving, decision making and conflict resolution**
- **We offer team building workshops to employer groups**
- **We help people with their job search**

**Interested? Call 759-1703**

27 King Street

[www.jhsossm.ca](http://www.jhsossm.ca)

## Depth on Debt

*We've been so anxious to give our children what we didn't have that we neglected to give them what we did have.*

- Author Unknown

## THE 'B' WORD...

Budgets are like roadmaps, they show you where you are and where you are going. Unfortunately, they can also be like New Year's resolutions; they start with good intentions but are soon given up on. Many people have the misconception that only those with low incomes need to budget. The truth is, a budget acts as a guideline that can help anyone regardless of income level. How long would a business last without a well planned budget? A family is no different. By managing your resources properly you are more likely to succeed financially. Nobody plans to fail but how many of us fail to plan?

Visit the self help section of our website for more information on budgeting! [www.creditcounsellingssm.ca](http://www.creditcounsellingssm.ca)

## Credit Counselling Service of Sault Ste Marie & District

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Website: [www.creditcounsellingssm.ca](http://www.creditcounsellingssm.ca)

Accredited Member of the Ontario Association of Credit Counselling Services, Credit Counselling Canada and Member Agency of the United Way. While the information herein is believed to be accurate, Credit Counselling Service of Sault Ste Marie assumes no responsibility for errors, omissions or actions based on this information.



## CREDIT COUNSELLING SERVICE

### 2005/2006 FISCAL YEAR STATS

- **New Cases Seen: 581**
- **Total Client Debts: \$ 13,430,770.00**
- **\$ Disbursed Through Debt Management Program: \$ 1,502,413.00**
- **Average Client Debt: \$ 23,117.00 (Excluding Mortgages)**
- **Average Number of Creditors: 5.4**
- **Average Age of Client: 40**
- **Average Debt to Income Ratio: 72%**