

COMMON CENTS

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Winter 2007

WINTER

Happy New Year Everyone!

It's the time of year when we all feel a sense of new beginnings and a fresh start. One area that always merits a look is our personal finances. Now is the time to plan for 2007.

The key to managing your money effectively is to have that plan in place and get it working for you. Here are three steps that will help you get results:

Save For Emergencies: Regardless of how much money you make, you will always have unexpected expenses. It pays to plan. It can be as simple as putting as little as \$10 per pay-cheque in a separate savings account. Once you've adjusted to your new spending level...try to increase your savings.

Track Your Expenses: "Leaks" exist in most wallets and they gradually eat away at your hard earned cash. By tracking your out of pocket spending (entertainment, eating out, groceries, etc) for at least 1 pay period you will better understand your spending habits and find where your "leaks" are.

Set Up A Budget: Spend wisely by analyzing your tracked expenses. To get a really good working budget, transfer over your tracked expenses onto your monthly budget sheet.

You can find resources on our agency website that will help you plan properly for 2007. Visit our 'Self Help' section:

www.creditcounsellingsm.ca

Under 'Money Basics' you can download a **template for both an expense tracker and a monthly budget.**

Make clear choices about your finances and your future. Take time to plan in order to start the year off right.

People don't plan to fail, but rather fail to plan.

CCS would like to welcome our new Preventative Education Counsellor Mr. Rocco Martone.



Welcome aboard Rocco!

THE TOP 10 COUNTDOWN

WAYS TO SAVE MONEY IN 2007

1. Make a budget and stick to it!
2. Track your out of pocket expenses.
3. Use coupons & comparison shop.
4. Shop with a list.
5. Cook more, use 'convenience foods' less.
6. Distinguish between "Wants" and "Needs"
7. Always read the small print!
8. Save for that rainy day.
9. Pay off your full credit card balance monthly.
10. Use credit only as a convenience.

Bonus Tip...

Start saving now for next Christmas!

The How To Section:

Determine what you spent this past Christmas (by adding up what you spent on your gifts, decorations, extra food, & travel). For example, lets say that you spent \$900.00. Now, simply, divide this number by twelve (the 12 months until next Christmas).

$$\$900 \div 12 = \$75$$

By putting \$75 a month into your separate savings account, you will have the money necessary come next Christmas. Wouldn't it be nice to have a debt free Christmas this year?!

Want more tips? Visit the 'Self Help' section of our agency website:

www.creditcounsellingsm.ca

Depth on Debt

My problem lies in reconciling my gross habits with my net income. - Errol Flynn

We can tell our values by looking at our cheque book stubs. - Gloria Steinem

Understanding Your Credit Rating...

A credit rating reveals a person's past credit history and is a key indicator used by financial institutions to determine if someone is credit worthy. Your credit file contains information such as your name, address, SIN #, age, creditors, payment history, as well as where you have applied for credit before.

Below is a chart explaining how your credit rating is determined:

Terms: O=Open Account R=Revolving I=Installment (Each creditor listed has their own rating.)

Information recorded on your credit report remains there for six years.

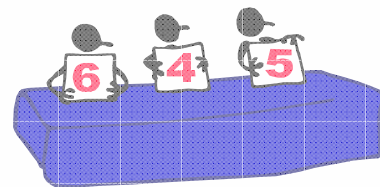
Usual Manner of Payment	O	R	I
Too new to rate; approved but not used	0	0	0
Pays within 30 days of billing; pays account as agreed	1	1	1
Pays in more than 30 days, but not more than 60 days, not more than one payment past due	2	2	2
Pays in more than 60 days, but not more than 90 days or two payments past due	3	3	3
Pays in more than 90 days, but not more than 120 days	4	4	4
Account is at least 120 days overdue but not yet rated "9"	5	5	5
Making regular payments under a consolidation order	7	7	7
Repossession(voluntary return of merchandise by consumer)	8	8	8
Bad debt; placed in collections	9	9	9

Credit Scoring: Creditors use a scoring system when trying to determine whether or not a person is credit worthy. The type of scoring system used often varies from creditor to creditor. Some of the information used for evaluation may include...

- previous credit history
- marital status
- age of the applicant
- debt to income ratio
- how long at current address
- number of recent credit inquiries

For strong credit:

- * pay your bills on time
- * maintain a low debt to income ratio
- * only have one or two credit cards
- * keep a zero balance on credit cards



It is a good idea to get a copy of your credit file periodically (1-2 years) in order to verify its accuracy and to make sure it does not include any errors. Follow the links on either of these websites for a free copy of your credit bureau report: www.equifax.ca or www.transunion.ca

**Credit Counselling Service of
Sault Ste Marie & District**

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Accredited Member of the Ontario Association of Credit Counselling Services, Credit Counselling Canada and Member Agency of the United Way.
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