

CAAB's newsletter is designed to ensure that our IDA/MDA Savers are fully informed about relevant money management topics, effective savings strategies, financial education opportunities in the DC area, and upcoming CAAB events. Every month, we will feature a different article focusing on strategies or products that can help you plan for and achieve your savings goals.

The Dollars and "Sense" of Holiday Budgeting

by Linda Stroman

Can you believe that 2007 is rapidly coming to an end? For many of us this is a favorite time of year. The holiday season can bring joy and wonderful memories, but, if you're not careful, it can take also take a toll on your financial health. Poor financial planning can lead to overspending and deeper debt. Don't let the holidays undo all the good work you've done to stay within budget for the year.

Here are some holiday tips and strategies to help you stay on track:

Consider giving a "priceless" gift. The giving of time and services is much more valuable than something with a pre-determined price tag.

Draw names and give fewer, nicer gifts. This works well, particularly in the workplace.

Shop online. The beauty is this can happen at anytime of the day and possibly spare you from the holiday "hustle and bustle"—including long lines. Window shop online to determine the websites that can offer the best deals (including free shipping). For more advice on saving money online, read our previous column on online shopping:

<http://caab.org/news-events/street-sense/getting-more-for-less.php>. Best of all, most things can be delivered directly to a home or work address!

Avoid last minute shopping. Shopping under stress can lead to poor purchasing decisions. If the plan is to visit or see someone after the holiday season is over, wait to purchase gifts or even supplies.



Give to a cause. If someone has a charitable organization or event that is near and dear to them, making a donation, in their name or in general, could be a nice gift. You may also benefit by getting the tax break for the donation.

Don't "shop until you drop." Maintaining good financial health also means maintaining good mental, physical, and emotional health.

And if you want to get a jump on holiday planning for next year, it is never too early to

plan and evaluate spending desires for the holiday season. There are some that get a head start and shop throughout the year, purchasing gifts as they travel or locate sales and clearance items. In any event, it is best to draft a plan of action and take the time to determine a "true" holiday spending guideline. Some financial planners recommend putting no more than 1.5% of your annual income (\$375 per \$25,000 of annual income) towards holiday spending. Keep in mind that holiday spending can be divided into several areas: gift giving, charity, cards, postage stamps, decorations, baking supplies, specialty foods, gift wrapping and bags, party supplies, travel arrangements, and flowers. With more time to plan, you can compare income and savings to credit card debt, living expenses, and other financial obligations. This can help you determine how to prioritize your spending plan in anticipation of your holiday needs and wants.

The Internet is a fabulous tool and websites like www.betterbudgeting.com and www.practicalmoneyskills.com offer tips that can help you breathe easier during and after the holiday season. Many financial institutions can also help determine the best means for starting a holiday spending account. In previous columns we discussed options for

CONGRATULATIONS!

The following savers made asset purchases in the month of November:

Home

Rosaline Atiati-Adekoya
 Moises Reyes

Education

Nebiat Fekade
 Ingrid Nunez
 Crystal Reese
 Cynthia Simon
 James Sullivan
 Robert Sullivan

Small Business

Xavier Justice
 Bernardo Figueroa

opening no monthly or minimum-balance fee savings accounts, visit <http://dcsaves.org/resources/accounts.asp> for more information.

Planning ahead could also keep you from having to supplement income to cover excess spending by taking on part-time employment or trying to secure overtime hours at work. Working extra hours could add stress and limit time for proper holiday season enjoyment. Using cash or ensuring that enough funds are available for "wiping out" credit card purchases should be part of any plan and can keep you from overspending.

By minding your financial health, you can better focus on the joys that the holiday season can bring (and stay on track to achieve your financial goals)!

UPCOMING EVENTS AND ANNOUNCEMENTS

Money Management Classes at CAAB

at 1801 K St NW, Suite M100 (Farragut West & Farragut North metro stops)

New round of Money Management classes starts in January

(Free) Complete your financial education requirements for the IDA or MDA program and meet other people saving towards their life goals just like you. Saturdays, January 5 through February 16, 10 a.m. - 12 p.m. Call 202-419-1440 to register.

- Jan 5 Overview of course: Creating wealth, setting financial goals, and tracking expenses
- Jan 12 Budgeting
- Jan 26 Understanding Credit
- Feb 2 Knowing Your Rights
- Feb 9 Financial Institutions and Products
- Feb 16 Optional (topic TBA)

Free English Classes

at Catholic Charities, 1001 Lawrence Street NE (Brookland/CUA metro)

Workplace English: 9 weeks, Saturdays, January 5—March 1, 9:30 a.m. - 12:30 p.m.

Communicate with employers, employees, and customers; Use workplace vocabulary; Negotiate; Understand American work culture; Interview for a job; Create resumes and letters

Citizenship English: 9 weeks, Saturdays, January 5—March 1, 9:30 a.m. - 12:30 p.m. or 7 weeks, Tuesdays and Thursdays, January 8-February 21, 6-8 p.m.

Prepare for the Citizenship Interview; Improve your English; Complete your application form

Contact Tiffany Groff at 202-481-1420 to register for either class.

Free Small Business Legal Clinic

at the University of the District of Columbia, 4200 Connecticut Ave NW, Building 39, Suite 106 (Van Ness-UDC metro)

The DC Bar Pro Bono Program Walk In Small Business Legal Clinic:

Thursday, January 17, 5:00-7:30 p.m.

If you are an existing or aspiring small business owner, **come and meet one-on-one with attorneys** at this brief advice clinic. You can get information on business formation, contracts, leases, taxes, or any other questions you may have related to small business legal issues. Or, if you do not have specific questions, come and tell the attorneys about your business and they can help you spot legal issues or give you general advice. **Please email Dilma Mendoza at dmendoza@udc.edu to RSVP.**

Pre-Apprenticeship Opportunities



The D.C. Office of Apprenticeship is coordinating pre-apprenticeship training projects with a local Plumbers and a local

Iron Workers union. Residents who successfully complete the pre-apprenticeship training and meet apprenticeship requirements will be accepted as apprentices. The starting hourly wage for first year plumber apprentice is \$16.04, for a first year iron worker apprentice it is \$15.94.

For more information, contact Larry Barnes of the DC Office of Apprenticeship at [202-698-5099](tel:202-698-5099) to schedule an appointment and orientation.

Overdraft Abuse: Tell Your Story



"I warn you, Sir! The discourtesy of this bank is beyond all limits. One more word and I- I withdraw my overdraft." Cartoon from Punch Magazine

Jennifer Rakowski of Oakland, CA had been with her bank for 15 years when, before she knew what hit her, she accumulated a series of overdrafts in quick succession that put her more than \$300 in the red. Has something like this happened to you? Consumers are catching on to the ways in which banks artificially increase overdrafts, costing their account holders billions per year in unfair fees. A bill to stop unfair overdraft practices is being considered in Congress and you can help show Congress the breadth of this problem by telling your overdraft abuse story to the **Center for Responsible Lending**. Go to www.responsiblelending.org/issues/overdraft/overdraft-abuse.html to share your story and help fight this abuse.

Energy Saver Tips



Winter is here and so are high gas prices. Here are a few tips to help keep this winter's bills a little lower.

1. **Turn down the thermostat.** Each degree you set your thermostat above 68 degrees increases heating costs from 3-5 percent.
2. **Keep the draperies and shades on your south-facing windows open during the day** to allow sunlight to enter your home. Close them at night to reduce chill.
3. **Take shorter showers.** Water heating is the third largest energy expense in your home.

SAVER



SNAPSHOT

(As of 11/30/2007)

	<u>IDA</u>	<u>MDA</u>
Number of Clients:	297	45
Average Deposit in November:	\$99.29	\$80.88
Median Deposit in November:	\$50	\$50
Average Account Balance:	\$493.99	\$743.42

Capital Area Asset Builders
1801 K Street NW
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