

Tips for  
saving this  
busy time of  
year inside!

## Happy Holidays!

May the  
peace of  
this season  
be with you.

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## You Don't Have to go into Debt to Celebrate

If you pay for your holiday festivities with credit, you're bringing a stalker home for the holidays—They'll follow you around *all year long*.

### The process usually goes something like this:

You buy costumes and decorations for Halloween, a feast for Thanksgiving, and holiday gifts for your family, more than likely waiting until the last minute for each occasion and missing the good deals. If you don't have a plan, you throw everything on the credit card. In January, the bills start coming in the mail. One by one, the bills remind you of the temporary holiday thrill-rides. Unable to pay everything off at once, you pay the minimums. **By June, you've hardly made a dent in the holiday debt—**which has simply been added to all your other miscellaneous debt like student loans, mortgages and the always-dreaded car payment. By fall, you should be planning ahead for the next holiday season, but instead, you're still dealing with last year's debt—plus

all the accumulated debt from the ghosts of holidays past. And the cycle continues. That is, until you finally say, "Enough!" No more debt. No more credit. **It's time to make a plan** early in the year, and then stick to it!



Thanksgiving is always on the fourth Thursday of November. Christmas is always on December 25 and Hanukkah always falls in these months as well. These dates never change. **There's no excuse for getting caught off-guard** and desperately piling up mounds of debt on credit cards.

So let's say you haven't started making a plan for the upcoming holidays yet, but now you are ready to get moving. You've still got time! **Consider some of these holiday shopping ideas:** **Research.** Before you head to the mall, look for deals

online. Visit the websites of the stores you plan to visit, and check out their prices. Don't waste your time shopping at one store if you know you can find a better deal elsewhere. **Make a budget.** It's amazing how many people have no financial plan for their spending. In order to work your way out of debt, you must become disciplined during the holiday season. If you must buy for everyone, keep it simple and stay within your means however meager they may be. Don't get caught up in "bigger is better," or else the bigger debt in January will remind you of how stupid that was.

**Use Cash.** You spend less when you use cash. Before you hit the stores, swing by the ATM and pick up a pre-planned amount of money. Then, stop shopping when it's gone! If you've planned ahead then using cash should be easy. You'll know what you need to buy and how much it will cost—before you start. Start now—no, really, right now!—planning for your holiday celebrations. Or, wait until the last minute and celebrate them for months to come by wading through all those bills. The choice is up to you! Brought to you from: [www.daveramsey.com](http://www.daveramsey.com)



Community Action Duluth

Duluth Saves strives to meet the diverse needs of all Duluthians regardless of income. We truly believe that everyone can build wealth and better their financial future with the right tools and the right encouragement.

For more information contact Rachel 218.726.1665

## How Much Should We Spend on the Kids?

Do you wonder how much is too much to spend on your kids during the holidays? You are not alone.



A quick internet search will reveal pages and pages of parents and bloggers asking each other that same question. Suggestions on these discussion boards range from spending nothing at all to shell-ing out several hun-dreds of dollars per child.

Parents struggle with this question because **it's a wrestling match between their practical and emotional sides.** If the family has money to spend, par-ents worry they're spoiling their children. If they don't have a big Christmas budget, par-ents worry they are

depriving the kids.

Most parents want to fo-cus on the holidays as a time of faith, family and friends but they're en-gulfed in the tide of com-mercialism that comes with the season. You can ease the stress by first defining what the holiday season means to you and your family, whether it is truly about gifts or not.

If your kids are older and they're used to raking in loads of presents at Christmas, you may need to **manage their expecta-tions.** The idea of holiday spending cutbacks may upset them at first, but you're right to teach them that its not about how

much stuff they get the true magic of the season lies in the experiences. In the end, there is no right or wrong amount for your holiday spending. But if you start with the proper definition of what the holidays mean to you, you'll be able to budget with the right perspective.

Research shows that **people feel more fulfilled by their experiences** than their possessions. No mat-ter how much money you have to spend, your family will get much more from the season if it is an *ex-perience* rather than an occasion to get stuff. Years from now, your kids will never remember what they did or didn't get for Christmas. **But they will never forget the feeling of spending time with their family and giving to others.** Brought to you by: [www.daveramsey.com](http://www.daveramsey.com)

## Get Your Taxes Done for FREE!

Do you make less than \$49,000 yearly? Save some cash and visit us this year!

**Site 1 Opening February 1:** Walk-ins Only. Community Action Duluth 19 North 21st Avenue West. Tuesdays doors open 4:30pm. Saturdays doors open 8:45am.

**Site 2 Opening January 31:** Appointments Encouraged. Family Site. Memorial Park 5315 Grand Avenue. Mondays and Wednesdays doors open 4:30pm. Childcare provided.

*For more information call 726.1665 or visit [www.communityactionduluth.org](http://www.communityactionduluth.org)*

## A Dozen Ways to Enjoy the Experience...

We all know times are tough and there isn't a one of us who hasn't been affected or knows someone who has been. The holidays season is stressful and filled with consumerism. As the first article by Dave Ramsey mentioned, people often enjoy and remember the experiences of the holidays more than the materialistic things that surround us during this time. Here are some fun ideas that

don't cost much if anything at all!

1. Bentleyville
2. Decorating Cookies
3. Making Gingerbread Houses
4. Holiday Movies and Books
5. Decorating Ornaments
6. Caroling
7. Sledding and Ice Skating
8. The Lakewalk
9. Volunteering
10. Hot Chocolate
11. Game Night
12. Looking through Family Photos



These are the things people of all ages remember and cherish throughout the years, especially during this special time. Take time to enjoy the experience!



Do you know how many advertisements the average person sees in one day?... 3,000! If you are awake 16 hours a day, you see an average of 188 ads each hour and children are no exception to this rule and they happen to be just about the best sales people around!

So what can you do? Well for advertising in particular you can try a few simple changes that can make a huge difference:

### **Don't shop just to fill time.**

Go to the store with a list and comparison shop for the best

## Talking Back to Advertising

prices and products.

**Opt-out of junk mail and telemarketing calls.** Anyone can do this— it's easy. Just call: 1.888.567.8688 to remove your name from the credit bureau lists and call 1.888.382.1222 to remove your name from telemarketer lists.

**Mute TV commercials.** Do you know that the average American household has the TV on 6+ hours a day!? That's an incredible saturation of advertisements that affect us without us even realizing it.

**Ask yourself before buying something if its in your plan.** Often we purchase items on impulse that can wait or are not necessary. Asking yourself or delaying purchases can help you spend much less!

One of the best ways to raise

thrifty kids is to show them how to "talk back" to advertising. Look at some print ads or TV commercials together and show them how advertisers are trying to sell them things besides the product itself. Ask the questions:

What product is being sold? Do you need this product? Does the ad use feelings, color, music or location to try to get you to buy the product? What questions do you have about the product that the ad tries to hide from you?

Taking time to really stop and realize how advertisements impact our lives and what they actually try to "sell" (ie: glamour, youthfulness, acceptance, ect.) can help us see how we can "talk back" to advertisements and save big bucks on our budgets!



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It is the mission of Community Action Duluth to use innovative strategies that mobilize low-income people and the broader community to build assets that prevent poverty, create equity and strengthen our social fabric.

**Engaging the community to end poverty**

## Payday loans: Stopping the Cycle

Payday loans are short-term unsecured loans offered both at check-cashing stores and on the internet. Typically the balance is due in two weeks (next payday) or in a month. Low-income consumers turn to payday loans to deal with emergencies or during the holiday season since many times access to a bank account is not a viable option (it is with Duluth Saves!) and proof of income or good credit restrict mainstream lending.

Local payday lenders typically require consumers to secure the loan with a post-dated check. Online lenders may ask for faxes of voided checks or bank account numbers for withdrawals. Loan amounts vary but \$500 is typical and the most common interest rate is \$25 on every \$100 lent—the equivalent of an APR

of 650% for a two week loan!

Due to the high fees and short repayment period, consumers



using payday loans often find themselves unable to repay the loans on the due date and feel forced to increase their debt by renewing the loan or taking out additional loans to pay off current ones.

**So what can you do to stop the vicious payday loan cycle?**

Increase income by decreasing

expenses, increasing hours at work, selling assets or asking for help so you can pay off your debt in full without additional loans.

Seek consultation from local non-profits or legal aid.

Convert the payday loans into overdrafts and offer a repayment plan to repay the original debt.

Stop writing checks and open a new savings account at a separate bank for banking needs going forward.

Write a letter to the payday lender stating that you will not renew the loan. Keep a copy and have the check sent to your bank.

If you need help with this process, please call us and escape from the vicious cycle!