

# CLIENT TELL

## SAVVY WAYS TO SAVE ON CHILD CARE COSTS

As the school year ends and kids have hours of free, unsupervised time, many parents are faced with a challenge: How can we afford child care this summer? Answering this question may require some innovative thought and planning — especially on a limited budget. If you're in this situation, below are some ideas that have worked well for other parents.

### Ask about FSA plans and discounts.

Does your employer offer a flexible spending account (FSA) program? FSA plans make it possible for parents to put aside pretax dollars for child care expenses. This year, employees can contribute up to \$5,000 and use this fund to cover a variety of child care costs, such as daycare facilities, baby sitters, even summer camps. Some larger employers also negotiate discounts with local child care centers. Ask the Human Resources Department at your company what child care discounts it offers.

**Apply for a federal tax credit.** If you qualify for a tax credit for children and dependents, Uncle Sam could pick up a portion of your child care costs. This credit allows eligible consumers to claim up to 35% of their child care payments (minus those already claimed for FSA purposes). It covers a maximum of \$3,000 for one child or \$6,000 for more than one. Credit is paid with after-tax dollars.

### Use flex scheduling or telecommute.

A flex schedule at work may allow you to cover time with the kids when your spouse or partner is at work. Telecommuting also helps save on daycare or summer camp fees with an added bonus — you have the opportunity to spend more time with your children.

### Comparison shop for child care.

Many factors go into choosing who will care for your child. Safety, your child's

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## SHARE YOUR INSIGHT

The U. S. unemployment rate has just jumped to 9.4 percent — the highest it's been in 25 years. If you know someone whose hours have just been cut at work, please tell them about CCCS of MD & DE. Encourage them to visit our website ([www.cccs-inc.org](http://www.cccs-inc.org)) or call us for an appointment at 800-642-2227.

CCCS can help them evaluate their financial situation, set up a budget, and deal with their creditors and mortgage lenders. We also present free educational workshops at local businesses, churches, schools, and community groups. If you live in MD or DE and your workplace or church would like to receive a workshop, call Jim Harris or Linus Campbell at 410-747-2050.

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FROM THE PRESIDENT  
Jim Godfrey

According to recent National Foundation for Credit Counseling findings, 41 percent of U. S. adults — or more than 92 million people living in America — give themselves a grade of C, D, or F on their knowledge of personal finance. If you have young adults in your family who are leaving home to live on their own this year, help them think through the financial challenges they will face before they leave home. If you have younger children, it's never too early to teach them financial lessons.

Don't just lecture your children about money. Encourage open-ended discussion and validate positive action instead. Here is a two-pronged approach that works: (Continued on Page 3)

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## CSA BASICS

Some of you requested more information about Community Supported Agriculture (CSA) after we mentioned it in last quarter's *Client Tell*. Under CSA, participants pay a bulk sum to a local farm prior to the growing season in exchange for a certain amount of produce when it's ready.

**Mutual Benefits.** This system allows farmers to market the food they raise early in the year before 16-hour days in the field begin. It also helps with their cash flow and puts them in touch with the people who eat the food they grow.

During the summer, people who buy shares in CSAs eat ultra-fresh food that generally costs less than it would have in a supermarket. Participants are exposed to new vegetables and new ways of cooking. Their children often are more willing to "eat their veggies" once they visit the farm and see how things are grown. You don't have to live in an agricultural area to take advantage of CSA. During the summer, many CSA farms deliver to their customers at set urban drop sites.

**How to Get Started.** Before joining a CSA program, do some homework. Ask how long the farmer has been in business? How long has the CSA been operating? How many weeks will you receive vegetables? How much food will you receive each week for your investment? What types of vegetables are available throughout the growing season? Are there other participants you can talk with who used the program last year?

To learn more or to locate a CSA in your area, contact your local State or county agricultural extension agency or visit [www.localharvest.org](http://www.localharvest.org).

## STAYCATION TIPS

A "staycation" is a vacation where you stay at or near your home. With gas and food prices on the rise, many Americans are opting for this form of leisure this summer. A staycation can be just as fun and relaxing as a vacation in a more exotic location. It just takes planning and fresh ideas. Here's how:

**Think ahead.** Set an actual start and end date for the staycation. If other family members are involved, coordinate your calendars and brainstorm how to spend your time together. Maintain this "vacation" mindset once the big day arrives.

**Set a staycation budget.** Based on your financial situation, figure out how much you can afford to spend on outside dining and activities. Making things memorable doesn't have to involve lots of money. A private candlelit dinner at home with inexpensive red wine and pizza can be very romantic.

**Turn off the computer & cell phone.** This may seem obvious, but the whole point of a vacation is to get away from the daily demands of your regular life. Tell people at work that you won't be around for the week and put a hold on those nagging household chores.

**Try something new.** A staycation is a great time to visit local spots you've thought about but never had the time to see. Before staycation begins, check your local library or the Internet for resources about nearby attractions and summer events. Also remember to schedule some down time — sleep in, relax, and savor the moment. That way, your batteries will be recharged when it's time to return to work.

## HOW I SPENT MY SUMMER STAYCATION . . . THREE BRIGHT IDEAS

- 1. Become a Hometown Tourist** - Every place has its own unique history and spirit. Visit a nearby park, landmark, museum, or roadside attraction to learn more about where you live. It may come as a surprise how famous people and events have shaped your local area. You may even find a favorite spot or two that merit a revisit later in the year.
- 2. Say "Hello" to the Great Outdoors** - Camping offers a chance to make lasting memories — even if it just involves sleeping out in your own backyard. Don't spend a small fortune on camping equipment or an expensive grill. Remember catching tadpoles or roasting marshmallows over a campfire? Roughing it really can be twice as fun.
- 3. Lounge Around** - Here's a truly decadent idea: Have breakfast in bed and spend the entire day in your pajamas. Don't lift a finger — the dishes can wait. Instead, play family board games, pick up a book you've always wanted to read, or learn to use a hoola-hoop.

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comfort, the staff-to-child ratio, the level of instruction, and the types of activities offered are all important considerations. Still — don't forget price. Compare the cost of all acceptable care providers and carefully examine what your payment covers. Is a nutritious lunch included? What does the provider charge for early drop off and late pick up? Are there additional fees for certain activities? All of these factors may affect the total amount that you ultimately pay.

**Barter for reduced care costs.** If you find a daycare center or summer camp that seems just right but that costs more than you can afford, ask the director if they need assistance in an area that you can provide. Bookkeeping, office work, and legal advice are all examples of services daycare centers routinely require and that may lead to a tuition discount. If you plan to use a local babysitter who has children, you may be able swap babysitting time for a reduction in your weekly rate.

**Recruit a family member.** If your child's grandparents, aunts, or uncles live nearby, consider asking for their help one or two days a week. Many grandmothers are willing to accept less than the going rate given they get to spend time with those they hold dear. If family members refuse payment for their services, count yourself lucky or offer to pay for gas and expenses instead.

**Hire a reliable college student.** College students generally charge less than nannies and make it possible for your children to stay at home, where they're most comfortable. If you take this route, fully screen each candidate. Prior to hiring a student, explain that payment will be tied to dependability. Upon employment, reward consistency and on-time performance and deduct a portion of payment for late arrivals or missed dates.

## A WELCOME ADDITION

This year, CCCS of MD & DE has experienced an increased demand for its services. CCCS has hired grant writer Tamara Stewart to help gain funding to meet this need.

Ms. Stewart brings a wealth of grants management experience from her tenure at Washington D.C. and Maryland based nonprofit organizations. Her background includes program development, budgeting, contract negotiation and monitoring federal, state and local grant compliance. After graduating from Amherst College, Ms. Stewart also spent two years performing direct community service as an Americorps member.

Ms. Stewart's past career endeavors have focused extensively on health and physical fitness. She looks forward to supporting CCCS's efforts to promote financial fitness. She notes: "Financial education is CCCS's primary goal. The more we can equip ourselves and our children, the better chance we have to avoid making mistakes like those that landed us in the current economic situation."

**1. Take advantage of everyday opportunities.** When it comes to managing money, real life situations often provide the best lessons. Avoid showering very young children with countless gifts or toys. And when the "gimme" bug strikes, politely but firmly say "no." This will help toddlers and young children learn that there is a limit to what they can have and that there is a difference between "wants" and "needs." Provide school-age children with an allowance. Let them decide how to spend it, and as they grow older, increase their level of responsibility. Require that at least some of the money they earn be used for essentials (school clothes, field trips, etc.) and long-term savings goals (bicycle, i-Pod, etc.) Teach older children how to balance a checkbook; then help them open their own savings and checking accounts. Also encourage them to participate in monthly family bill-paying sessions.

**2. Teach through example.** Throughout their lives, our children quietly observe us. Whether we like it or not, we constantly "model" financial behavior that they may absorb at any time. Ask yourself: "What do my actions say about how I view and use money? How well do I manage my finances? What do I need to do better?" Then make an effort to learn and improve so that you can provide the best example possible.

Your child's school also may prove a valuable financial literacy resource. Check with your child's principal or teachers to see if economics and personal finance are a mandatory part of the school curriculum. If not, bring this idea up at the next PTA or school board meeting. The lessons children learn about personal finance now will stay with them long into the future. Knowing more will help them to succeed.

### Ask a Counselor

**Q:** We've been wondering what the current balance is on our CCCS debt management program. Is it best for us to call CCCS to find out?

**A:** For the exact amount you owe, refer to your most recent creditor statements. When these arrive each month, open, read, and check them to make sure the interest rate being charged is accurate and that payments have been properly credited. For questions, call CCCS Operations at 1-800-571-2227. Also be sure to send us copies of your creditor statements each quarter. This helps us more accurately reflect the true balance.

### PARTING THOUGHTS

**Online News.** If you haven't been on CCCS of MD & DE's website recently, why not pay us a visit at [www.cccs-inc.org](http://www.cccs-inc.org)? The site has just been updated. It now includes contemporary design features and additional information. It's still an excellent source for financial tips, tools, and resources.

**Financial Literacy Resources.** Are you interested in learning more about money management? The Internet includes a wealth of reputable informational sites. The U. S. Financial Literacy and Education Commission's site ([Mymoney.gov](http://Mymoney.gov)) includes resources for adults and kids on everything from budgeting to retirement planning.

**Payment and Money Orders.** Whether you pay using ACH EASY PAY, online, or with money orders, it's wise to provide all DMP payments on time and in full so that you retain your full concessions. If you use money orders, please print all information legibly. Write *CCCS of MD & DE* in the "Pay to Order Of" blank. Place your address and phone number below your signature and your client number in the corner of the money order. Sign the money order and enclose the top part of your statement. File the receipt for future reference.

### Our Mission

*To provide educational programs and implement financial solutions through counseling that promote self sufficiency to individuals, families, neighborhoods, and communities.*

*A personal finance education advocate since 1966.*



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