



Consumer Credit Counseling Service  
of Maryland and Delaware, Inc.

**FOR IMMEDIATE RELEASE**  
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## **SIX SURVIVAL STRATEGIES FOR TOUGH ECONOMIC TIMES**

(BALTIMORE) According to USA.gov, American consumers listed "save money" and "manage debt" as two of their top three New Year's resolutions for 2009. With unemployment on the rise and no easy fiscal answers in sight, it isn't surprising that many of us are seeking ways to increase our financial security right now. Here are six strategies that can help you manage your finances more effectively, so you are better prepared to ride out the economic storm:

### **1. Take a Financial Reality Check**

It's hard to set realistic money management goals or make sound personal finance decisions without first knowing where you stand. Take an hour to review all your current financial statements (bank, mortgage, credit card, investment, etc.) If you don't already have a monthly budget, now's the time to create one: First list and add up all of your sources of income (job earnings, child support, disability payments). Then list and add up all of your monthly living expenses (mortgage / rent, utilities, groceries, etc.) Finally, subtract your total expenses from your total income. The amount that remains is what you have left to pay debts, save, invest, or spend as you see fit. The Financial Tools section on CCCS of MD & DE's website ([www.cccs-inc.org](http://www.cccs-inc.org)) includes practical budget information and a handy interactive worksheet to start you on your way. Once you set up a budget, stick to it.

This coming month, track all of your expenses. This exercise will help you determine where your money is going. It also may provide you with ideas on how to reduce your spending. Even small cutbacks, such as turning down the thermostat a few degrees to save on winter heating costs or carpooling to work to save on gas, could leave you with more money in your pocket at the end of the month.

### **2. Reduce Your Personal Debt**

Make 2009 the year you get your credit card debt under control once and for all. If you qualify, transfer your current credit card balance to a card with a low or 0 percent introductory interest rate. Then avoid charging new purchases on this card. If you aren't able to qualify for a new card, don't give up. Stick to your guns: Strive to pay more than the minimum monthly balance each month. If you receive extra money, such as from a tax refund, use it to reduce your debt. If you owe on multiple cards, apply any additional funds to the one with the highest interest rate.

If you're living paycheck-to-paycheck or already behind on your credit card or mortgage payments, make an appointment with a reputable credit or housing counselor. Most legitimate credit counseling agencies are independently accredited and belong to a national trade association such as the National Foundation for Credit Counseling (**[www.nfcc.org](http://www.nfcc.org)**). Counseling agencies such as CCCS of MD & DE have certified counselors that have been rigorously trained in HUD-approved housing programs.

### **3. Put Money Away for a Rainy Day**

It's possible to put money away as a buffer against unexpected emergencies even if you're on a tight budget: Saving just 50 cents a day in loose change leads to an extra \$180 a year. Eating out two times less per month yields an annual savings of \$360. These two small changes add up to an average savings of \$45 per month. To make your dollar go even farther, comparison shop before buying groceries, clothing, or other essentials. The Consumer Literacy Consortium ([www.66ways.org](http://www.66ways.org)) offers advice from leading experts on how to save money on essential items like food, insurance, and transportation.

Also set up a plan to "pay yourself first." Ask your bank or credit union to automatically transfer an assigned amount each month from your checking to your savings account. This is an easy way to build a nest egg, and even small amounts contributed regularly add up over time.

### **4. Request and Review Your Credit Report**

In today's challenging financial climate, your credit history is more important than ever. Under Federal law, you can request one free credit report each year from the three major credit reporting companies (Equifax, Experian, and Transunion). This is very easy to do. At [Annualcreditreport.com](http://Annualcreditreport.com), you can fill out and submit a secure online request form for use by all three companies. Once you receive the credit reports, review them carefully and dispute any errors that you find. To learn how to do this, access the Consumer Protection section on the Federal Trade Commission website ([www.ftc.gov](http://www.ftc.gov)).

### **5. Protect Your Financial Identity**

According to the FTC, approximately nine million U.S. citizens fall prey to ID theft each year. To protect your identity: Guard your personal information and keep items like your Social Security card in a safe place. Protect your PINS and passwords. Limit the ID and credit cards you carry. Shred old records. Invest in a secure mail box. Regularly check your credit accounts and credit reports for unauthorized charges. Further information on how to prevent and manage ID theft is available at: [www.ftc.gov/bcp/edu/microsites/idtheft](http://www.ftc.gov/bcp/edu/microsites/idtheft).

### **6. Make Money Management a Family Goal**

The stress adults face in today's unsure economic environment is visited on their children. To help your family cope, schedule regular open personal finance discussions. Explain how your monthly budget works, brainstorm ways to reduce family spending, and encourage older children to sit in on bill paying sessions. These activities will help your kids develop practical skills they can apply in the future. Studies also show that children whose parents share information during family crises are less likely to experience anxiety and fear.

These six strategies are wise practices to employ at any time. Implementing them now will help you strengthen your financial knowledge and security in 2009 and for years to come.

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**Consumer Credit Counseling Service of MD & DE, Inc. (CCCS)** is an accredited nonprofit agency that has served the local community since 1966. CCCS is dedicated to helping individuals and families resolve their financial problems. We promote the wise use of credit through education and confidential budget and money management counseling. Please call **1-800-642-2227** or visit our website at [www.cccs-inc.org](http://www.cccs-inc.org) to find out more. Maryland State License #14-01.