



NATIONAL FOUNDATION FOR
CREDIT COUNSELING

*Knowing the difference can
make all the difference.*

NFCC PRESS RELEASE

For Immediate Release
February 8, 2010

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GIVE FINANCIAL PEACE OF MIND THIS VALENTINE'S DAY

Responsibly Handling Money is a Gift to Loved Ones

Silver Spring, MD – Valentine's Day rolls around each year on February 14, regardless of the economic conditions. This obvious lack of sensitivity on the part of Cupid, the mythical god of love, leaves many wondering how to show their affection without breaking the bank.

“If you find yourself in financial distress, perhaps the best gift this Valentine's Day is not to spend money on a token of your affection, but to provide your loved one with something that's not on sale at the stores: a sense of financial peace of mind,” said Gail Cunningham, spokesperson for the National Foundation for Credit Counseling (NFCC).

This type of financial peace is not based on the size of your bank account. Instead, it is understanding that regardless of the circumstances, the money is being handled responsibly. The NFCC suggests putting the following actions in place which will provide both you and your loved one with a better sense of financial stability, even in the hard times.

- **Get financially organized.** This sends a calming signal to your loved one that you're on top of things. And, since it's tax season, this is the perfect time to shred what you don't need and file what you do.
- **Be realistic about the financial situation you're in.** If you've lost your job, it's irresponsible to continue spending as you did when employed. Learn to live within your means, and don't finance your lifestyle through credit.
- **Track your spending.** When every penny counts, it's important to count every penny. Doing so will send the signal that you have control over your money, something that mindless spending will never accomplish.
- **Create a personal cash-flow chart.** Using a standard calendar, list all paydays and anticipated amount of the paycheck. Next, list which bills are to be paid out of each check. This eliminates the last-minute scrambling to meet payment due dates, and avoids costly overlimit and overdraft fees.
- **Find a way to save money.** A financial safety net in the form of a savings account is a calming factor when unexpected expenses occur. It's a comfort to know you're prepared. Start by having 10 percent of each check deposited into a savings account, and vow to not touch it except for true emergencies.
- **Bank any bonuses or windfall money.** You won't miss what you never had. Use this money to start or bulk up your savings account.

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- **Review the withholding allowances from your paycheck.** In recent years, millions of people have received an income tax refund of over \$2,000. Often, these are the very same people who struggle to make ends meet each month, and could have used an extra \$200 in their paycheck. Go to www.irs.gov and type in the words “withholding calculator” into the search box. In a matter of minutes you’ll see the appropriate number of withholding allowances for your situation. Then, adjust your W4 accordingly.
- **If you get an income tax refund, use it wisely.** Catch up on any past due bills, make needed repairs to the house or car, put 10 percent into your savings account, and then splurge on something special for your family that is under \$100.
- **Make the most of your money.**
 - Ditch your credit card if it has an annual fee attached, but first, make sure you are eligible for new credit. Issuers have tightened their lending standards, and you don’t want to be left without access to any credit.
 - Don’t use an ATM if it charges you a fee.
 - Bank where free checking is offered.
 - Put your money where it earns the most by finding the best rates available for savings and CDs. You can compare rates at www.creditcards.com and www.bankrate.com.
 - Buy generic groceries which are estimated to be 27 percent cheaper than their name-brand counterparts, and are often made by the same company.
 - Get back to the basics and start cutting coupons.
 - Utilize any savings plans at work. If your company offers a Flexible Spending Account (FSA), but you’ve never bothered to investigate it, now’s the time. Taking advantage of the savings allowed by earmarking expenses to be paid through an FSA can result in real savings.
 - Consider cutting back on contributions to your retirement plan at work. When you’re trying to find extra money, this is a much better option than dipping into your actual retirement account. Just remember to play catch-up when your finances turn the corner.
 - Make sure you’ve taken advantage of every tax credit and/or deduction available to you.

“Actions speak louder than words, and when your loved one sees you putting the above steps in place, he or she will know how much you care about them. This is definitely a gift you can afford to give,” continued Cunningham.

If you need help putting your financial life in order, reach out to a trained and certified credit counselor. To find the NFCC Member Agency closest to you, call toll-free to (800) 388-2227, or go online to www.DebtAdvice.org. For assistance in Spanish, dial (800) 682-9832.

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The National Foundation for Credit Counseling (NFCC), founded in 1951, is the nation’s largest and longest serving national nonprofit credit counseling organization. The NFCC’s mission is to promote the national agenda for financially responsible behavior and build capacity for its members to deliver the highest quality financial education and counseling services. NFCC Members annually help more than three million consumers through close to 850 community-based offices nationwide. For free and affordable confidential advice through a reputable NFCC Member, call (800) 388-2227, (en Español (800) 682-9832) or visit www.nfcc.org.