

Credit Counseling Centers of Oklahoma, Inc.

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2009

Knowing the difference
can make all the difference.

CCCS Offers Tips for Paying Off Holiday Debt.

After all the gifts have been opened, the family and holiday guests have gone home and you have started packing up your decorations – it hits you. How much did I spend? When will I get the bills? What do I do now?

“You need to create a holiday debt repayment plan,” said Margo Mitchell, President and CEO of Consumer Credit Counseling Service of Oklahoma, Inc. (CCCS), a non-profit that provides debt and credit counseling and education. “Otherwise, you could be paying for those gifts for a long time.”

How long? Sixty percent of Americans confess to not having a holiday budget so it is no surprise The American Bankers Association reports that the typical payoff time for holiday debt is four to six months. Depending on what they charged, some American families could have a lot to payoff. Shoppers are expected to spend an average of \$1,220 on holiday gifts in 2009, a 15% drop compared to last year, reports a November 2009 survey by Deloitte, LLP. Whereas, a 2009 Nielsen survey indicates that 44% of consumer households will spend the same on holiday gifts as they did in 2008, 42% will spend less and only 4% are planning to spend more.

No matter what you have spent this holiday season, you can take charge of your debt by following just a few tips from CCCS:

➤ **Stop using your credit cards.** People spend up to 30 percent more when paying with credit cards rather than cash. Pay with cash, debit cards or checks whenever possible to pay for food, clothes, utilities, rent/mortgage and other necessities. Hold your credit card charges to a minimum until you pay off your holiday debt. Even when you have paid off your debt, begin to look at spending in a different light. It's very tempting to pull out a credit card and use it for a purchase. Before you do that, you need to stop and

ask yourself, “Is this really necessary? Is this a need or a want?”

➤ **Total up your holiday charges.** Take a sheet of paper and create columns for the type of credit card, the amount outstanding and the annual percentage rate. This will give you an idea of how much you owe creditors. While most people can identify how much they spend on fixed expenses like rent, mortgage

debt? You could get this extra money by reducing long-distance calls, eating out less often and trimming back on luxuries or hobbies until your holiday debt is paid.

➤ **Stick to your plan.** Pay off credit cards with the highest interest rates first. Also, investigate the possibility of transferring bills to credit cards with lower interest rates. Always try to pay more than the

minimum amount due. Never take cash advances. Always open your credit card statements and pay your bills on time to avoid late fees and higher interest amounts.

➤ **Get a part-time job.** Working just a few hours per week and applying all part-time income directly to your holiday debt can help you get back on track much faster. Once your debt is paid and if you are considering similar spending next Christmas, start a savings account and deposit all your part-time job income into this account.

➤ **Budget for 2010 holiday season.** One of the major causes of holiday debt is a lack of planning. Only 40 percent of the people surveyed by the American Bankers Association in 2009 had developed a holiday budget. If you are one of the 60 percent who didn't budget, resolve to do better next year.

During the holidays, it is easy to get caught up in the spirit of the season and spend beyond your means. If this happened to you, treat this as a learning experience and look into less costly gifts next year. Remember, you don't have to solve your financial problems alone. CCCS of Oklahoma has trained and certified credit counselors who offer financial management and debt reduction services that are low-cost – and free.



payment, car payments – they aren't so sure when it comes to more flexible expenses like holiday gifts, food and impulse items. Most people are surprised to learn how much they spent and how quickly it added up. Therefore, it is important to save all of your receipts and put all charges on your spreadsheet.

➤ **Develop a repayment plan.** Decide how much money you can devote each month to paying down your holiday debt. For example, can you set aside an extra \$50, \$75 or \$100 a month to reduce your holiday

CCCS of Oklahoma is a nonprofit, community-based organization and a Member of the National Foundation for Credit Counseling® (NFCC). For more information on CCCS of Oklahoma, call (918) 744-5611 or visit www.cccsofok.org

Offices in Northeast Oklahoma

CCCS of Oklahoma has trained and certified consumer credit counselors who offer financial management and credit education services from 6 locations throughout Tulsa and northeastern Oklahoma.

Broken Arrow

317 South Main

Claremore

104 South Missouri, Suite 205

Muskogee

323 West Broadway, Suite 404

Pryor

5101 South Mill

Sapulpa

19 North Main

Community Resource Center

Tulsa

4646 South Harvard

CCCS Services

CCCS of Oklahoma is a not-for-profit agency that has been helping people improve their quality of life since 1968.

Financial Counseling

Certified consumer credit counselors provide you with confidential advice about credit, budgeting and money management; and will work with you to develop a financial action plan specifically suited for your

needs. For people that are homebound and experiencing a financial crisis, our senior specialist will provide guidance, assistance and referrals.

Debt Management Plan (DMP)

If you are overextended, you may qualify for a Debt Management Plan where you may receive reduced interest rates, waived late fees, fewer collection calls and peace of mind. DMPs serve the dual purpose of helping you repay debts and helping your creditors receive the money owed them.

Housing/Reverse Mortgage Counseling

This program is certified by the US Department of Housing and Urban Development as a comprehensive housing counseling program. The services range from pre-purchase counseling to reverse mortgage counseling.

Community Education

Ideal for your company, church, school, civic organization or community agency, everyone will learn to understand budgeting, the wise use of credit, balancing a checkbook, credit reports, credit scoring, money management, savings and identity theft.

Bankruptcy Counseling and Education

Includes Pre-filing Counseling where you receive budget and credit counseling now required during the six months prior to filing. Then before the bankruptcy is discharged, you must complete a financial management course – CCCS services include a Pre-Discharge Education course that meets this requirement. CCCS is approved to issue certificates in compliance with the Bankruptcy Code. Approval does not endorse or assure the quality of an agency's services.

Consumer Credit Counseling Service of Oklahoma

4646 South Harvard

Tulsa, OK 74135-2908



People Who Care



Tulsa Area United Way



COUNCIL ON ACCREDITATION
OF SERVICES FOR FAMILIES
AND CHILDREN, INC.

CCCS of Oklahoma is a nonprofit, community-based organization that provides confidential counseling, guidance, debt management and education programs to financially troubled customers. A Member of the National Foundation for Credit Counseling® (NFCC). For more information on CCCS, call (918) 744-5611 or visit www.cccsofok.org