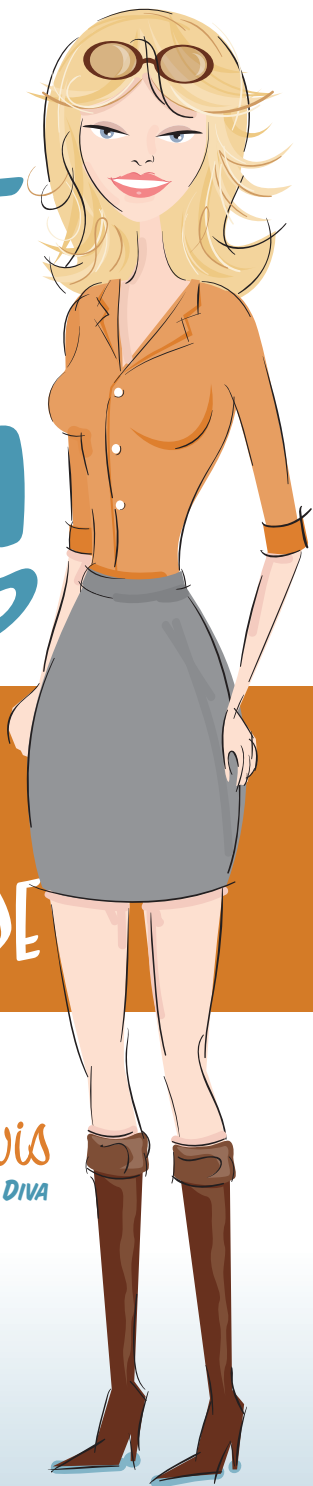




THE DEBT DIVA'S



2008
FINANCIAL GUIDE

by *Clarcky Davis*
THE DEBT DIVA

TABLE OF CONTENTS

Introduction..... 3

Taking Charge of Your Life by Taking
Control of Your Money

Know Your Goals..... 4

How To Reach Those Goals

1. GET ORGANIZED..... 7

2. MANAGING YOUR MONEY..... 9

3. PLAN FOR UNEXPECTED AND
EXPECTED EXPENSES..... 13

4. SAVE THOSE PENNIES..... 14

Strategies to Pay Off Your
Credit Card Debt..... 16

Debt Diva's Tips to Get
the Most for your Money..... 19



INTRODUCTION

For most of us, organizing our finances is a chore we'd rather ignore. No matter what your place is on the economic ladder, you need to know how to manage your money.

Often, financial security means different things to different people. Remember, you do not have to be wealthy to live a financially secure life. You do want to be able to pay your bills on time and set aside funds for your home, family, life's little emergencies and retirement—and have some fun along the way!

THE DEBT DIVA'S FINANCIAL GUIDE FOR 2008

offers you the resources to take control of your financial future by setting attainable financial goals and creating a budget that fulfills your needs. You'll also find valuable advice on how you can reduce everyday expenses, pay off your debt and build a nice nest egg for a secure and happy future!

There's no better time than right now to learn more about how manage your money more effectively!

From my personal experience living on a tight budget and managing credit card debt, as well as from CareOne's experience with tens of thousands of consumers, I know that financial health brings peace of mind. Managing your money effectively will lower your stress levels and make you feel happier and more relaxed.

Let's get started.

TAKE CHARGE OF YOUR LIFE BY TAKING CONTROL OF YOUR MONEY

No matter what your financial situation is, you can improve it immediately just by making the commitment to change your spending habits and build an attainable financial strategy.

Know Your Goals

It's hard to think about the future when you feel you can barely make it through the day managing a job and family responsibilities without having time for yourself. But you must set aside time by yourself or with your spouse to reflect on what you want to achieve financially.

Goal planning is your first step. Setting financial goals is like driving. You have to know your desired destination, or you'll just keep driving around in circles, seeing the same scenery without making any progress.

There are basically three different types of goals that you can set, depending on how long you think it's going to take you to accomplish the goal.

- **SHORT-TERM GOALS:** These are goals you'll plan and accomplish within one month to one year. Goals can include birthday gifts, holiday gifts, taking a family vacation, paying off a credit card or buying a new TV.
- **MID-TERM GOALS:** These are goals you'll plan to accomplish within one to five years. Goals can include paying off all your credit cards, purchasing a new car, remodeling your kitchen or saving for orthodontic work.
- **LONG-TERM GOALS:** These are goals you'll plan that will take five years and longer to accomplish. Goals can include buying a new house, saving for a child's education or saving for retirement.

Maybe you're struggling to identify what your financial goals are for you or your family. These are just a few more ideas to help you get started in considering your financial goals.

EXAMPLE OF FINANCIAL GOALS:

- Pay off debt
- Pay bills on time
- Stop living paycheck to paycheck
- Afford a vacation
- Send children to college without incurring debt
- Retire
- Purchase a home
- Purchase a car
- Household renovations
- Educate children about healthy spending habits
- Set spending expectations for children
- Contribute regularly to a charitable cause

TIPS FOR ACHIEVING GOALS:

1. Write down your short-term, mid-term and long-term goals.
2. Set due dates for attaining your goals.
3. Be realistic (*Don't increase* financial stress in your life when setting goals and dates).
4. Be flexible (It's okay to adjust your goals and strategies).

Review your goals. As you and your family grow and change, so will your goals. Every six months revisit the goals you have set and feel free to make changes to reflect your past accomplishments and new priorities

The following is a brief worksheet for you to identify your top five financial goals for the next three to five years. Rank these from most important to least important, including short-term, medium-term and long-term goals.

FINANCIAL PRIORITIES

1. GOAL _____
MONEY NEEDED _____ TARGET DATE _____

2. GOAL _____
MONEY NEEDED _____ TARGET DATE _____

3. GOAL _____
MONEY NEEDED _____ TARGET DATE _____

4. GOAL _____
MONEY NEEDED _____ TARGET DATE _____

5. GOAL _____
MONEY NEEDED _____ TARGET DATE _____

Now that you have your initial financial goals identified, it's time to learn how you can achieve those goals. If you are married, you must get your spouse on board with the lifestyle changes you will have to make to accomplish your goals. If you are single or a single parent, you must be your own cheerleader and self-motivator.

Financial goals take planning, patience and a willingness to work hard. There are many different ways to reach your goals; however, I suggest:

STEP 1: Prioritize your financial goals.

STEP 2: Plan for your financial goals

STEP 3: Initiate and take action on your financial goals

How to Reach Those Goals

GET ORGANIZED

Organized finances will help you make better decisions about your money. Many of us believe that a higher income ensures financial stability. Unfortunately, poor spending habits carry over regardless of salary. Being organized with your finances requires proper planning, discipline and sometimes significant changes to your lifestyle.

Start by collecting the following information:

- 1. HOUSEHOLD DOCUMENTS:** These include paycheck stubs, monthly bills, bank statements and cancelled checks. Create a file folder for each item and store them in a “banker box,” which can be purchased at your local office supply store. You will want a new box for each year.
- 2. FINANCIAL DOCUMENTS:** Such as tax records, mortgage records, lease information, auto contracts, divorce agreements, child support agreements, military papers, etc. Create a file folder for each item and store the files in a fireproof safe.
- 3. ESTATE DOCUMENTS:** Such as wills, life insurance policies, stock certificates, bonds certificates, family trust papers, managed account portfolio statements, business agreements and other investments. You should create a file folder for each item and store these files in a fireproof safe.
- 4. FAMILY DOCUMENTS:** Such as Social Security cards, birth certificates, marriage certificates, nationalization records, citizenship papers, passports and copies of driver licenses. These file folders should also be stored in a fireproof safe.

You can purchase a fireproof safe at various discount stores and other retailers. Set aside time each week, every two weeks or once a month to file all your records into their designated file folders and storage place.

Watch Your Credit

You should also make sure to get a copy of your credit report! A credit report includes information on where you live, how you pay your bills and whether you've been sued, arrested, or filed for bankruptcy. Nationwide consumer reporting companies sell the information in your report to creditors, insurers, employers, and other businesses that use it to evaluate your applications for credit, insurance, employment, or renting a home.

You are assigned a credit score that reflects your current financial situation. Your goal should be to achieve a healthy credit score of 750 or higher!

A credit report is divided into four sections: *identifying information*, *credit history*, *public records* and *inquiries*.

Identifying information is just that—information that identifies you. Review this closely to make sure it's accurate. Other information might include your current and previous addresses, telephone numbers, date of birth, driver's license number, your employer and your spouse's name.

The next section is your credit history, which shows each account you have open and the name of the creditor and the account number. You may have more than one account from a creditor. Many creditors have more than one kind of account, or if you move, they transfer your account to a new location and assign a new number. The entry will also include:

- The date you opened the account.
- The kind of credit (installment, such as a mortgage or car loan, or revolving, such as a department store credit card).
- Whether the account is in your name alone or with another person.
- Total amount of the loan, high credit limit or highest balance on the card.
- How much you still owe.
- Fixed monthly payments or minimum monthly amount.
- Status of the account (open, inactive, closed, paid, etc.).
- How well you've paid the account.

The third section includes related financial information, such as bankruptcies, judgments and tax liens. These are the items that will ruin your credit faster than anything else.

The final section is the inquiries, which lists everyone who asked to see your credit report. Inquiries are divided into two sections. "**Hard**" inquiries are ones you initiate by filling out a credit application or taking your child to the orthodontist. "**Soft**" inquiries are from companies that want to send out promotional information to a pre-qualified group or current creditors who are monitoring your account.

If you find a mistake on your credit report—an account that isn't yours or a disputed amount—you should act quickly to correct it by completing the error form that comes with the report.

The Fair Credit Reporting Act (FCRA) requires each of the nationwide consumer reporting companies—*Equifax*, *Experian*, and *TransUnion*—to provide you with a free copy of your credit report, at your request, once every 12 months.

TIP: Rather than order the free copy of your credit report at the same time each year, order from one of the three agencies every four months, allowing you to monitor your credit throughout the year without having to pay for extra reports.

The three major credit bureaus may be contacted directly at:

TransUnion P.O. Box 1000 Chester, PA 19022 1-800-888-4213 www.transunion.com	Equifax P.O. Box 740241 Atlanta, GA 30374 1-800-685-1111 www.CreditReport.com/Equifax	Experian P.O. Box 2002 Allen, TX 75013 1-888-397-3742 www.experian.com
-------------------------------------------------------------------------------------------------	----------------------------------------------------------------------------------------------------------	-------------------------------------------------------------------------------------------

MANAGING YOUR MONEY

Financial security takes planning and sometimes significant changes in your spending habits. Most people are juggling their limited money resources to get by. An awareness of how you spend your money is critical to helping you make better financial decisions.

Knowing how to manage your money successfully will give you confidence and independence. You want to be in control of your money and not let it control you.

The first step to managing your money is to understand the “**Four Rs**” of money: **Responsibility, Reality, Restraint and Reward.**

- 1. RESPONSIBILITY:** Being responsible with your money means watching how you spend it and getting the most for your money.
- 2. REALITY:** Unless you have inherited lots of money that allows you to buy everything you want, you need to realize that you must spend within an outlined budget. You must also realize that you can only earn so much money at your present job. Knowing how much money you can earn is also a guideline for spending.
- 3. RESTRAINT:** This means having the discipline to take control of your emotions before you spend and being able to distinguish between *wants* and *needs*. You can save a substantial amount of money if you don't confuse your *wants* for *needs*. Needs are those items that are necessary to sustain: Shelter, food, clothing, transportation. Wants are those things that enhance or improve your lifestyle. A car is a need. Unless it is necessary for your business, a \$40,000 luxury car is a want, even if a lot of people don't see it that way.
- 4. REWARD:** This means that smart money habits reward you in the form of long-term financial security for you and your family.

The second step is creating an expense budget for your family.

A budget is a list of your family's income (money coming in) and expenses (money going out) that shows you the flow of money in and out of your everyday life. This is known as your "**cash flow.**" A budget has two parts:

PART 1: MONEY COMING IN. Money coming in is known as your "Net Income." It includes your salary, wages, child or alimony support, Social Security, pension, investment earnings, etc. Net income is the amount you bring home after deductions (such as taxes, insurance, retirement contributions, etc.)

PART 2: MONEY GOING OUT. Money going out is known as your "Expenses." There are generally three types of expense categories you will need to identify in your budget—*fixed expenses*, *variable expenses* and *flexible* or *discretionary expenses*.

1. FIXED EXPENSES. These expenses usually remain consistent and require a fixed payment on a monthly basis. On average, there are five fixed expense groups.

- **Housing:** This includes rent or mortgage (house payments), homeowner dues and property taxes.
- **Auto:** This includes car payments and other bills such as auto maintenance that you are obligated to pay each month.
- **Insurance:** This includes auto, life, health, disability, dental, credit and renter's insurance and any other bills, such as medical expenses that you are obligated to pay the same amount each month.
- **Debt:** This includes child support, alimony, student loans, and any bills such as credit cards, personal loans, past-due taxes, etc.
- **Savings and/or Charitable Giving:** This includes any funds you have allocated to save each month for personal goals such as retirement, college education, emergencies, investments or donations to charities or religious organizations.

2. VARIABLE EXPENSES. These expenses can increase or decrease from week to week or month to month. Usually there are eight variable expense groups.

- **Food:** This includes household groceries, household items, lunch money, pet supplies and food.
- **Utilities:** This includes water, trash, electric, gas, cable, Internet, home telephone, mobile phone and long distance service.
- **Transportation:** This includes gas and oil, public transportation expenses, parking tolls and car repairs.
- **Clothing:** This includes clothing, shoes and accessories.
- **Personal Needs:** This includes hair care and body care products, toiletries, hair cuts, manicures, beauty care, laundry and dry cleaning.
- **Medical:** This includes prescriptions, vitamins and supplements, doctor co-payments and eye care.
- **School Needs:** This includes tuition, room and board, books, school supplies, childcare and subscriptions.
- **Entertainment:** This includes movie tickets, dining out, concerts, theme parks, sport and hobbies.
- **Other:** Miscellaneous expenses or emergencies that you may incur throughout the month

3. FLEXIBLE OR DISCRETIONARY EXPENSES.

These expenses generally occur once or twice a year. They include car registration, travel, vacations, gifts and home maintenance.

Setting up a basic household budget is simple when you follow these four easy steps:

STEP 1: ADD UP ALL YOUR MONEY (NET INCOME)

COMING IN MONTHLY. If you are paid weekly, multiply your income by 4.333. If you are paid every two weeks, multiply you income by 2.167. If you are paid twice a month, multiply your income by 2.

STEP 2: LIST AND ESTIMATE ALL YOUR MONEY GOING OUT (EXPENSES) MONTHLY. Write down all your money that is going out to pay for your expenses.

STEP 3: SUBTRACT TOTAL MONTHLY EXPENSES FROM TOTAL MONTHLY NET INCOME. Once you make this calculation, you will end up with either Disposable Net Income or a Deficit.

- **Disposable Net Income** is the amount of money that you are left with after you pay your total monthly expenses.
- **A Deficit** is what occurs when your total monthly expenses are greater than your Total Monthly Net Income. This can be a result of not preparing a proper budget that allows you to live within your means.

STEP 4: MAINTAIN OR ADJUST YOUR BUDGET.

Consider your total monthly expenses and determine if your expenses need to be adjusted to achieve a Disposable Net Income. You can always find ways to reduce the amount of money spent on certain areas within your budget.

Small adjustments to your budget can improve your Disposable Net Income.

Strive to control the emotions and the impulses that stimulate your desire to spend money. Keep close track of what you spend, so you can stretch your dollars as far as they go, whether it's buying food, clothes or paying for your car. Ask yourself, "What can I realistically do without?" In addition, you should be able to cut back on personal care, hobbies and entertainment. Try less expensive personal care products. You may find them to be just as good as the high-profile brand.

Whenever possible, you should shop at discount stores. Find fun but inexpensive activities to share with your friends, such as picnics, hiking, biking, playing baseball, public concerts at the park, etc. Check with your local chamber of commerce or in the weekly entertainment section of your local newspaper for a list of activities in your community.

Also, look ahead at those unbudgeted expenses that tend to pop up throughout the year and start saving now!

Some examples are as follows:

- School field trips
- Back to school shopping
- Sports/ Extracurricular activity costs
- Birthday gifts
- Holiday spending
- Summer camps and activities
- Automobile maintenance

PLAN FOR UNEXPECTED AND EXPECTED EXPENSES

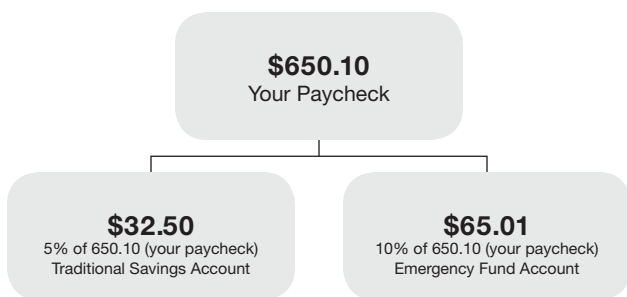
Many people and their families are on financially shaky ground, and they don't even know it. They go through the day-to-day tasks and responsibilities, pay their bills, and never realize that all it takes is one crisis to put them over the edge.

The mistake they are making is not building a savings account to help them cope with an emergency. Everything is fine until something unexpected happens, such as a family member's illness or job loss—even a car accident where no one is hurt can result in costly auto repairs. Because consumers are spending as much or more than they are making, all it takes is one of life's little challenges to send families spiraling into financial ruin.

Now is the time to start planning how you are going to save money so that you can take action to achieve your financial goals.

Every person has different income levels and different savings goals. As a rule of thumb, you should try to save from your monthly paycheck a minimum of 5% into a traditional savings account and 10% into an emergency fund account.

EXAMPLE OF HOW YOUR MONEY FLOWS TO SAVINGS



An emergency fund account is the same as a traditional savings account. The only difference is that you will label the account “Emergency Fund Account.” Everyone needs to have a separate savings account specifically designated for emergencies. You never know when an emergency will strike (loss of job, car repairs, etc.)

Always plan for an emergency!

The most common emergency families face is a job loss. A standard rule of thumb is that you should have at least “three times your monthly expenses” saved in this account. For example, if your monthly expenses are \$700 a month, you need to have \$2,100 in your emergency fund account.

The idea of having three months of expenses saved up seems unattainable to most families.

The hardest part is just getting started.

SAVE THOSE PENNIES

No matter what your age is or your financial situation, you must be a disciplined saver to ensure that your financial wellbeing is secure.

I. START AN EMERGENCY FUND ACCOUNT. If you really struggle to meet your current financial responsibilities, start your emergency savings fund immediately with whatever dollar amount you can afford—even if it’s just loose change. Don’t forget: every penny counts.

Recycle an old jar or milk carton or take over your child's piggy bank and begin to collect your loose change.

Once you've collected enough money—about \$100, you should open a savings account at a local bank. Commit to making a deposit every other month with the loose change you collect in your homemade bank—no matter how small the amount. You should set a goal to save a certain amount of money each month, even if it's \$5-\$20.

What's important is you are starting an emergency savings fund that will grow over time as you become more disciplined in your savings and spending habits and your financial picture improves.

The more money you have available, the more money you should contribute to your emergency fund.

2. BUILD A RETIREMENT FUND. Establishing a retirement fund should not be considered a choice, it's a must.

If you have not begun saving for your retirement, your first step should be to set up a 401(k) retirement plan, which allows employees to invest up to 15% of their annual salary. The contributions are deducted from your taxable income and therefore reduce the annual tax sting. Taxes on interest or investment income are deferred until retirement, when most people slip into a lower tax bracket.

What's great about a 401(k) is that most employers match a portion of the employee's contribution, typically about 50% of the contribution up to a maximum of 6% of the annual salary. It truly is free money or a 50% return on investment for a significant chunk of your retirement savings. This is a deal you cannot afford to miss.

If you already have a comfortable emergency fund and a growing 401(k), you might want to consider setting aside a supplemental fund to help you pay for private health insurance during your retirement. To make sure your needs are met in your golden years, don't plan your retirement around a government program such as Medicare, as increasing costs will likely result in reduced benefits and longer waits for care.

PAY OFF YOUR CREDIT CARD DEBT NOW

Financial debt doesn't just affect a person's wallet. It is an issue that can affect every facet of a person's life—mental and physical health, career and relationships with spouse and children.

For people with excessive credit card debt, the feeling of financial pressure is present at all times, pervading all aspects of their lives. There's a lot of emotional distress that is linked to being in debt. People feel lonely and suffocated. It's an all consuming feeling that people carry around with them all day long—throughout their work day and their time with their families.

Even if you don't feel pinched by your credit card debt now, you must make paying off your debt a top priority to ensure you and your family's financial health.

DEBT DIVA'S SELF HELP TIPS TO PAYING-OFF CREDIT CARDS

TIP #1: ALWAYS PAY MORE THAN THE MINIMUM MONTHLY PAYMENT. Let's say you owe \$750 on a MasterCard with a minimum payment of \$15 at an interest rate of 18%. If you pay just the minimum monthly payment of \$15, it will take you about 15 years to pay off the \$750 balance. Further more, you will have paid about \$1,181.25 in interest charges. Try to pay as much as you can toward your credit card debt or attempt to pay double the amount of the minimum monthly required payment.

TIP #2: PAY OFF CREDIT CARDS WITH HIGH INTEREST RATES FIRST! You may be tempted to pay off that credit card with the lowest balance first, but you'll save yourself time and money by tackling those debts with the highest monthly payment. Keep this in mind, the higher the interest rate on a credit card, the deeper you will get into debt by not paying it off immediately.

How you know if you are headed for financial trouble:

- Paying your bills late.
- Transferring balances from one account to another in order to obtain lower interest and payments.
- Depending on overtime at work to cover minimum monthly bills
- Hoping checks that you've written don't clear the bank before payday.
- Borrowing from friends and relatives to cover basic living expenses.

Keep in mind that paying off a substantial amount of debt takes time and requires discipline, but it can be done.

Consumers have several options available to them in dealing with their debt.

1. DEBT MANAGEMENT PLAN: A debt management program is designed to help you get out of debt more quickly than you could on your own. Debt management programs are administered by financial fitness companies, such as CareOne Services, Inc. or non-profit organizations called credit counseling agencies. These organizations help you become debt-free by:

- Negotiating reduced interest rates.
- Consolidating your credit and other types of debt.
- Eliminating late fees.
- “Re-aging” your account, so your payments aren't considered delinquent.
- Helping stop calls from collectors.
- Providing you with money management tools so you can improve your credit history.

2. SELF-HELP: Take advantage of the valuable information in this guide and take control of your finances. Put yourself on a budget—track your spending and don't live above your means. Most importantly, pay down your debt (especially revolving debt such as credit cards). Establish an emergency fund to handle any unexpected expenses including illness, car problems and loss of job. Don't forget about saving for your retirement—take advantage of your company's 401(k) plan.

3. REFINANCING MORTGAGE: Refinancing your home mortgage loan at a lower interest rate is a great idea if you have equity in your home. But you must also remember to practice good spending habits so you don't end up in more debt and place your home at risk.

4. DEBT SETTLEMENT: Debt settlement allows you to pay less than you owe. It's a solution if you can afford some payments, but not enough to be on a Debt Management Plan. A debt settlement agency negotiates with the creditors to settle the debt for a lower amount than owed, as the debtor saves their money for a lump-sum settlement payment.

5. BANKRUPTCY: Bankruptcy legally declares you insolvent and unable to pay back your debts. This option should be a last resort as it affects your credit for at least 10 years. It should only be an option if you have no other solution.

To learn more about your options in dealing with your debt, visit **www.TheDebtDiva.com**.

DEBT DIVA'S TIPS TO GET THE MOST FOR YOUR MONEY

Managing your day-to-day expenses is critical to meeting your financial goals. The following are 21 Debt Diva Tips to reducing your household and lifestyle expenses and getting the most from your money.

SLASH GAS AND ELECTRIC BILLS

- **Run Major Appliances Off Peak.** By paying attention to when you run major appliances, you can drastically reduce your energy bill. Check to see if your utility company has a different billing rate for different times of day, most do. This means that if you run your dishwasher, dryer or washing machine after a certain hour, say 9 PM, you actually pay less than if you were running it in broad daylight when energy demands are much higher.
- **Avoid the Draft.** A draft means that your heater or air conditioner will have to work twice as hard (or harder) and will cost more to operate. To check if you have any drafts, shut your exit doors and cut off the lights in the room. If you are able to see light coming in from underneath the doors, there is a draft. If you shut the doors to your home and the windows rattle or shake, this also means there is a draft.
- **Setting Your Thermostat for Winter.** During cold, winter months, 36% of your energy bill comes from keeping your house heated. Don't be a heat "hog." Your heating bill will increase by 3% every time you raise your heat by just one degree when you set the thermostat at 71 degrees or higher. That's a lot of money for just a little more heat. To keep your utility bills "cool" and your house "warm," keep your thermostat at a comfortable 69 degrees.

LOWER YOUR GROCERY BILL

- **Buy Groceries for Two Weeks.** If you have a hard time resisting impulse buys at the supermarket, which can wreak havoc on your

grocery budget, try shopping for two weeks of groceries at a time. You'll need a comprehensive list, but once you get the hang of it, you'll find that you save time, save on gas, and save on your total bill, because it's one less visit to the store.

- **Buy in Season.** Save by buying foods that are in season. Eat seasonal foods that cost less because of large supplies, such as fresh lettuce, spinach or strawberries in late spring and early summer or apples, squash or sweet potatoes in the fall.
- **Buy the Family Pack.** When buying meat at the grocery store, look for "family packs" or "value packs." These bundles of beef cost less per pound and you can divide the meat up and freeze what you don't use right away.

SAVE ON GAS

- **Choose Your Miles Per Gallon.** If your family owns two cars, get in the habit of taking the smaller, more fuel-efficient vehicle whenever you can. For example by driving a Toyota Camry instead of a Ford Explorer to the mall, you would save about eight miles per gallon in suburban driving. This could save you the cost of a fill-up every month or two.
- **Reduce Speed.** Fuel efficiency decreases rapidly at speeds above 60 mph. The faster you drive, the more gas you use per mile: each 5 mph you drive over 60 is like paying an additional 10 cents per gallon for gas! Lighten up on the accelerator for heavy savings on gas bills. Observing the speed limit is safer, too.
- **Tire Pressure Check.** Be sure your tires are properly inflated. Under inflated tires can reduce your fuel efficiency by up to three miles per gallon. You can pick up a tire gauge at any auto parts store for under \$5. Check your tire pressure every other time you fill up the tank.

SAVE ON ENTERTAINMENT

- **Skip the Same Old Weekend Routine.** If you or your family is bored with laying around the

house, watching television and playing video games, why not attend local festivals and events instead? Throughout the year, most communities have free exhibits, demonstrations and performances that are perfect for adults and kids alike. Remember to eat before you go, and you won't spend any money on over-priced snacks and drinks.

- **Become a Culture Vulture.** If you want your kids to experience cultural events, but can't afford a "suggested donation" for each and every one on the weekend, check for "free nights" at local museums. Many stay open one weeknight each week or month and hope to encourage new visitors with their free admission policy.
- **Participate in a Volunteer Project.** If you have time on your hands, why not check out the paper or go online to look for community volunteer projects. You could participate in everything from litter pickups and recycling projects to tree and flower plantings. By volunteering, you'll be helping out the community, spending time together as a family and teaching your children that it is more important to give than to receive.

SAVVY SHOPPING

- **Don't be Scared to Negotiate.** Don't always assume that prices are fixed. Sometimes getting a better price on something is as simple as asking "Is that the best you can do?" It also helps if you are dealing with a manager, or someone else who may have the authority to be flexible on pricing. You'll never know if you got the lowest price, if you never ask.
- **Get Online Bargains.** Go to www.craigslist.com to get bargains on used items that people are selling (or giving away) in your area. A lot of times you can find great deals on items that are too bulky to ship on eBay, but can be picked up in person. You can sort by the city closest to you when searching for items. Also you can pick up some extra cash by selling items that you no longer want or need.

- **Skip the Mall.** Try to avoid shopping at the mall. Not only are prices generally higher at the mall compared to discount stores, but the abundance of stores and displays are a recipe for overspending and budget disaster. Try to stick to the warehouse and discount stores for the bulk of your shopping and you can hopefully avoid over-spending.

HEALTH AND FITNESS FOR LESS

- **Generic Medication.** If a doctor prescribes medication for you, ask if that is the least expensive option, or whether there is a generic alternative that could save you money. Usually, the only difference between brand name and generic version is that the drug company spent a lot of money to advertise the brand name drug, and you're paying extra for all that advertising.
- **Start Walking.** Walking or hiking is free, doesn't require any special skill, and you can do it anywhere, but it's more enjoyable if you find a scenic state park or trail within a reasonable distance. Get out of the house, and get moving—the only thing you have to lose is a few inches off your waistline.
- **Get Involved in Fitness.** Exercise is a healthy inexpensive activity. Don't justify avoiding an exercise program by saying it will take time away from other activities. Instead, designate an exercise time once or twice a week. It doesn't cost anything to head out to a park, ball field or playground. Encourage your friends or family to throw a ball around, shoot hoops or run laps. Make it a competition by making up some games or challenging each other to races.

IDENTITY THEFT

- **Guard Your Social Security Number.** Don't be an easy target for identity thieves. Never give out more information than you need. Don't print your SSN on your checks. You don't know how many hands your check may pass through before making it to the bank. With your SSN, address and bank account number, an identity

thief has enough information to open an account in your name.

- **Don't Forget Your ATM and Debit Cards.**

Unlike credit cards that limit consumer losses to \$50, ATM and debit cards don't have any limits and, indeed, you might be held responsible for all money taken from your account fraudulently! Notify your bank as soon as you know your ATM or debit cards are missing. If you lose your purse or your wallet, containing all of your plastic, get on the phone as soon as you get home and call the bank's 24-hour hotline to limit your liability.

- **Check Your Credit Annually.** If you believe you've been the victim of identity theft, credit reporting agencies are required by law to give you a free credit report. Check your report at least once a year to see if there's anything you can't explain and to see who ordered a credit check on you. The three major credit reporting bureaus can be found at: www.econsumer.com, eqifax.com, www.experian.com, or www.transunion.com.

For more tips and suggestions on improving your financial life, please visit **www.TheDebtDiva.com**.



About The Debt Diva

Clarky Davis, the CareOne Debt Diva, has more than five years of experience in the debt management industry and more than 10 years of hard-won personal experience with credit cards and debit cards. As a liberal arts major—Clarky has bachelor's degrees in English and speech communication from Meredith College in Raleigh, N.C.—she knows a lot about living on a limited income. The money saving tips the Debt Diva offers have all been tested and proven by the Diva herself. She now offers these hard-won insights to others seeking to maximize their tight budgets and deal with debt.

About CareOne Credit Counseling services

CareOne Credit Counseling services. CareOne is the industry's leading debt management program brand, linking consumers together with agencies that provide customized solutions, 24-hour account access, electronic payment options, strict privacy controls, and ongoing support and counseling.

www.TheDebtDiva.com
1-800-376-2503