

**The tips below are designed to help you manage your money, save money and establish good habits so that you have good credit.**

Set a realistic monthly budget. Include your regular monthly expenses and don't forget to budget for unplanned expenses and expenses that you may not have every month. (Think about how your purchases in one area impact the other areas-- \$20 spent in one area is \$20 you won't have to spend in another area.)

Pay your bills on time to avoid late payment fees, and to build good credit and tenant histories. If you think you won't be able to make a loan or bill payment, contact the lender or others you owe. Lenders, utility companies and other businesses may have solutions to help you. If you wait for a debt collector to contact you after having already missed payments, you will likely have penalties, late fees, etc.

Avoid payday lenders, rent-to-own and check cashing agencies. Renting to own or borrowing through payday lenders is extremely expensive. Read and understand any sales, credit or rental contract before you sign.

Don't pay for income tax preparation. Low and moderate income tax payers qualify for free tax preparation through Volunteer Income Tax Assistance (VITA). Call **LCCH** or log on to [www.irs.gov](http://www.irs.gov) for a location near you. If you pay a tax preparer for an early refund, there is a cost to you.

**Banking:**

Get a bank or credit union account. Search for banks/credit unions that have low fees and that have the services you want. By opening an account you will be able to take advantage of direct deposit and avoid check cashing fees. Review your bank statements. Being a member of a bank or credit union can also help you save for large purchases or a down payment on a vehicle or home.

Sign up to access your account information electronically/on your phone and receive alerts/payment reminders, make payments, etc. Stay on top of things so that you know how much you are spending, how much you have available and if there is any suspicious activity on your account.

**Credit Cards:**

Shop around for good rates on debt and credit cards. Learn to read and understand the card agreement.

Think twice before applying for more credit cards. Special promotions, such as low introductory rates or discounts on purchases, make it tempting to apply for additional credit cards. But every time you apply for a card, it appears on your credit report. Multiple applications (called "inquiries" on a credit report) or new cards opened within a short time period can lower your credit score.

Use credit cards wisely. Use them only for necessary purchases. Pay off your credit card each month to avoid additional fees/interest. If you cannot pay the entire amount, pay more than the minimum monthly payment each month. If you have a balance, stop charging until the balance is paid off. Stay within your credit limit.

**Saving money:**

Set specific financial goals, then decide how much you need to save each week to get there.

Open a savings account and have a portion of your paycheck automatically direct deposited.

If you pay off a credit card, loan or debt, continue making the payments to yourself into your savings account. Save your change and any gifts of cash.

Begin saving for retirement as soon as you can. Find out if your employer matches retirement contributions.

**Reducing Debt:**

Use your tax refund, holiday bonus, overtime, gifts, etc. to pay bills or pay down your debt. Pre-paying just a small amount on your debt helps you pay off your debt much more quickly.

Pay your vehicle insurance for a longer term. Paying six months or a year at a time reduces your overall cost and frees up money for monthly expenses. Consider using your tax refund to pay insurance for a longer term.

**Shopping:**

Use in-store and on-line coupons. Use store frequent buyer cards. Shop at dollar and discount stores. Use a calculator when shopping. Take advantage of free services like the public library.

Resources: [www.fdic.gov](http://www.fdic.gov), [www.consumer.gov](http://www.consumer.gov), [www.irs.gov](http://www.irs.gov), [www.lcchousing.org](http://www.lcchousing.org), [www.consumer.ftc.gov](http://www.consumer.ftc.gov)