

Credit Advisors Foundation

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BEAT THE HOLIDAY BILL PAYING SEASON

The presents may have been unwrapped weeks ago, but many American families are still dealing with holiday credit card leftovers. This additional debt will hurt American families who are already feeling the pinch from home mortgages and rising gas costs. There are steps that can be taken to help shorten the holiday payment season.

- “The first task required in all new financial situations is creating or updating your budget,” said Sam Hohman, CEO and President of Credit Advisors Foundation. “Without a solid budget in place it’s hard to know where your money goes, and that will make it harder to pay off debts. Make sure you look for those black holes like eating out and buying coffee, eliminating these will help with paying off those holiday bills. Then put as much as you can toward your debts.”
- “Whenever you pay off debts, make sure you try and pay more than the minimum payment,” stresses Hohman. If only the minimum payment is every month on a credit card debt totaling \$2,000, it could take over 15 years and cost as much as \$3,000 extra in interest and fees. Paying as much as you can each month will make a big difference.
- Put all the cash received as gifts into a checking account and direct it towards those holiday bills. It may not be as exciting as buying a new television, but it will be buy some peace of mind.
- Start preparing your tax forms. Tax refund money is perfect to use on holiday debts. To receive this money quickly, visit the IRS’s web site at <http://www.irs.gov/individuals/index.html> and find the Free File or e-file form. Anyone whose total income was \$54,000 or less in 2007 can file on-line for free using the Free File form. Using internet filing and directly depositing the refund money can shorten the time to receive your money. A word of caution though, avoid tax prepares who offer immediate cash. They are too costly.

This last tip will help avoid the holiday bill season completely in 2008; total all your holiday expenses from this year and divide that number by 11. Don’t forget to include all holiday expenses such as, presents, travel, food, wrapping paper, and party supplies. Set this amount aside every month. Next year there will be enough money to have a happy holiday without ushering in a longer more stressful holiday bill season.

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Credit Advisors Foundation is a national, non-profit credit and housing counseling organization with offices in Omaha, Nebraska and Tacoma, Washington. The organization provides financial education to the community via publications, speakers, and counseling. For more information visit creditadvisors.org