

Shop Smart & Save



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When debt is the problem, we are the solution.

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Congratulations on taking this important step to a brighter financial future. Consolidated Credit Counseling Services of Canada, Inc. has been helping Canadians across the country solve their credit and debt problems for years.

Our Educational Team has created over twenty-five publications to help you improve your personal finances. By logging onto www.consolidatedcredit.ca you can access all of our publications free of charge. We have tools to help you become debt-free, use your money wisely, plan for the future, and build wealth. The topics Consolidated Credit Counseling Services of Canada addresses range from identity theft to building a better credit rating; from how to buy a home to paying for university. On our website you will also find interactive tools that allow you to calculate your debt and see how much it is costing you.

We are dedicated to personal financial literacy and providing a debt-free life for Canadians. If you are overburdened by high interest rate credit card debt, then I invite you to speak with one of our trained counsellors free of charge by calling 1-800-656-4079 for free professional advice.

Sincerely,

Jeffrey Schwartz
Executive Director

Consolidated Credit Counseling Services of Canada, Inc.

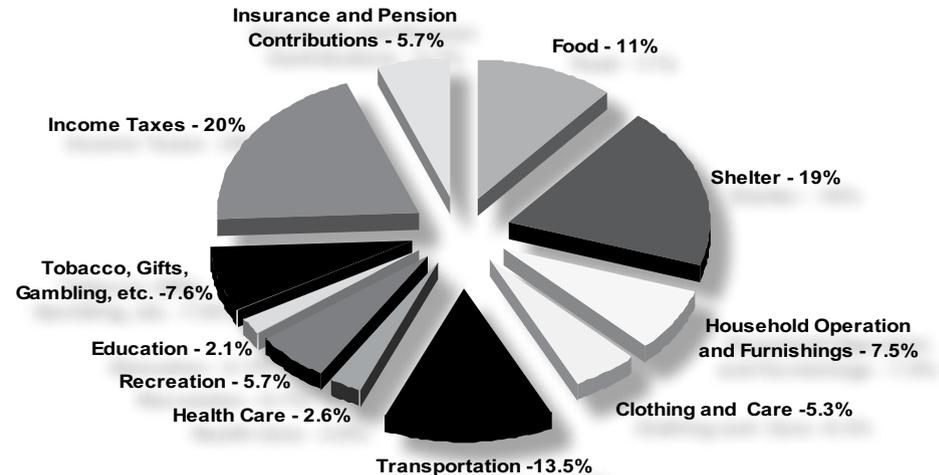
Shop Smart and Save Money

Budgeting is perhaps the best way to save and spend more wisely. To monitor your spending habits better, keep a record of the money you spend during a one month period. Then answer the questions below:

1. What patterns can you see in your spending habits?
2. How do you decide what to purchase?
3. What factors influence your purchasing decisions?
4. Read and go through Consolidated Credit's Budgeting Made Easy workbook.

How Canadians Spend Their Money

Statistics Canada reports that Canadians spend their money in the following proportions:



Money Rules to Live By

- Pay yourself first.
- Set up a separate account for savings, and immediately transfer a portion of your salary to the account each pay period. Consider this account to be off-limits, except in the case of an emergency.
- Apply any extra income toward paying off debts or toward your savings account.
- Look for ways to save on insurance.
- Review your policies to avoid duplicate coverage. Consider raising your deductibles; talk to your insurance agent about other ways to save.
- Start saving \$1 per day.
- Save your pocket change too. You'll be surprised how quickly it adds up.
- Don't buy on impulse.
- Purchase only the items you originally planned to get. Limit the amount of cash you carry as well as the number of credit cards.
- Wait for sales and comparison shop. You can save 50% or more by doing so.
- Make two shopping trips before you buy large ticket items.
- On your first trip, compare prices. Then, after you have made a thoughtful decision as to an item's price and value, go back to the store a second time and make your purchase.
- Use coupons and rebates as much as possible.
- Shop at consignment shops, and consider rebuilt and pre-owned items.
- Save money by doing things yourself. Cut your own lawn, for example, or wash your own windows.
- Conduct family meetings each week to discuss ways that you as a family can save money and get out of debt.

Ways to Save Money

Transportation

Airline Fares

You can reduce the price of a roundtrip ticket by as much as two-thirds if your trip includes a Saturday night stay-over and you purchase your ticket in advance. Always ask your travel or reservation agent if you're getting the lowest fare. Watch for price wars, sales, and special offers (such as "Friends Fly Free"), and be prepared to act quickly. Book reservations online. It is always cheaper since there is not an agent being paid to serve you. Also, many airlines will offer free tickets when a flight is overbooked. If you are able to take a later flight to your destination or on your return, this can be a great deal. Do not take offers for vouchers. They often have to be redeemed over the phone when fares are 50-100% more expensive.

Car Rentals

Car rental rates vary greatly; shop around for the best basic rates and special offers. Check with your insurance agent and credit card company to see what type of coverage you have. That way, you can avoid paying for duplicate insurance coverage. Talk to your credit card companies about discounts as well. CAA often offers discounts to members as well.



New Cars

You can save thousands of dollars by choosing a model that has a low purchase price, low financing, and reasonable insurance rates. Purchasing a car that has efficient gas consumption and low maintenance and repair costs can save you a great deal of money in the future. You can find new car guides that offer great advice in your local library. Comparison shopping for an automobile can save you hundreds of dollars. Call at least five dealers for price quotes, and let each know that you are calling others.

Used Cars

Before buying a used car, compare the asking price with the www.vmrCanada.com. Have a trusted mechanic check the car, particularly if the car is being sold without a warranty. Consider buying a used car from a person you know and trust; he or she might be more inclined to charge a lower price and/or point out any problems with the car.

Leasing A Car

Leasing a car isn't right for everyone. Here are some guidelines to use when you're considering leasing:

- Don't be tempted to lease a car just because the payments are lower than on a conventional auto loan. Lease payments are arrived at by using a complicated formula involving the purchase price, your down payment or trade-in, a lease rate and term,



along with the depreciation factor of the car. Other charges, such as fees for excess mileage, excess "wear and tear," and the purchase option price at the end of the lease factor in as well.

- Try to keep your term less than four years.
- At the end of your lease, you will need to either:
 - a) Return the vehicle to the lessor;
 - b) Trade your leased vehicle for a new one. If you have equity in the car, it shouldn't cost anything to trade it in. (This will typically not be the case until you are at or near the end of your lease); or
 - c) Purchase the vehicle from the lessor for the residual value stated in your lease agreement, plus any additional fees you owe (this is not typically a good value for the consumer).

Auto Loans

If you have money in the bank that's earning a low interest rate, consider making a large down payment or even paying for your car in cash. This could save you hundreds in finance charges.

Shop around for a low-interest loan. Contact several banks, your credit union, and the auto manufacturer's own finance company. You can also check www.carloansCanada.com for the best current deals.

Car Repairs

Every year, Canadians spend billions of dollars on unnecessary or improperly done car repairs. Make sure you use a skilled, honest mechanic. Look for a mechanic who is certified, well established, and has done good work for someone you know. Make sure you get a written estimate before work is done.

Insurance

Auto Insurance

Ask your agent or insurance company about raising your deductibles on collision and coverage to at least \$500, or, if you have an older car, consider dropping this coverage altogether. Check www.kanetix.ca to find competitive quotes.

NOTE: Most insurance companies offer multiple coverage discounts. Ask your agent or broker about saving money for having your car, renters, home owners, or other combined plans with them.

Homeowners Insurance

By purchasing homeowners insurance from a low price, licensed, company, you can save \$100 or more each year. Use internet comparison websites, like www.insurancehotline.com, to find quotes on multiple agencies. Then call three of the lowest-priced companies and ask for a quote. Make sure you buy enough insurance to replace your house and its contents. Ask your agent or the insurance company if you qualify for any discounts; newer homes and homes with security systems, for example, qualify for discounts.

Banking/Credit

Chequing

You can save over \$100 yearly in fees by opening a chequing account with a minimum balance requirement that you can meet. Some banks will drop or lower fees if your paycheque is directly deposited by your employer. Direct deposit offers other advantages as well; it's easy, secure, convenient, and gives you immediate access to your money.

Savings and Investments

Before opening a savings or investment account, ask if the account is insured by the federal government. Many investments, such as annuities and stocks, are not insured. Once you decide on a particular type of investment, compare rates offered by different institutions. These rates can differ and, over time, can considerably affect your return.



Credit Cards

Interest rates on credit cards can be very high. You can save hundreds of dollars a year in interest payments by paying your bill in full each month. If you can't, then find a low-interest card. If you have a large balance on your cards and just can't seem to pay it off, then consider a debt management program. Compare rates on cards at www.ratesupermarket.ca.

Consolidated Credit may be able to consolidate your debts, lower monthly payment commitments, and negotiate lower interest charges. Generally, clients see 25 to 50% in monthly savings on interest charges from our negotiations with creditors. To find out if you qualify call 800-656-4079 for a free, no obligation consultation.

Food Expenses

Don't forget your cappuccino factor. This refers to how much a person might spend on a fancy coffee each day. In your life, there

are probably several such small but regular purchases that add up to big money leaking from your household budget.

According to the Coffee Association of Canada, over 63% of Canadians over the age of 18 drink coffee every day. Is it really worth cutting back on this expense? Would it really make a difference? In the cappuccino example, a \$3.50 cappuccino every morning for a year adds up to nearly \$1,300. Spending money on beverages, take-out food, and restaurants has evolved. It wasn't long ago that there wasn't an espresso/cappuccino shop on every corner. We all made coffee at home, and it was fine, and it cost pennies.

If a decade or two ago an entrepreneur had an idea of selling water in a sealed bottle and charging people 100 times what it was worth, he would have been laughed out of business.

Beverages are big budget drains. One credit counsellor knew a family with limited income and serious debt problems that was spending more than \$100 a month on soft drinks at convenience stores. Until they examined their spending, they had no idea they were spending that much.

Personal finance experts agree that cutting down on prepared meals, whether at a restaurant or ordering a pizza, is among the best ways to save a significant amount of money. The answer to not eating out is eating in, or at least preparing meals at home that you can take with you.

It also means spending effort on meal planning, specifically dinner. Planning helps eliminate impulse dining out, when mom or dad comes home too tired to make dinner. Otherwise it's easy to fall back on trips to the fast-food joint and calls for takeout or pizza.

To make frequent cooking easier, freeze meals. Cook two or three times what you need for dinner and freeze the extra. It takes little extra effort to make more because the ingredients and cookware are out, and cleanup is about the same.

Instead of making a meat loaf, make two or three. Triple the recipe for a casserole or make 20 hamburgers at a time.

Freeze the extra food, and on those nights you don't feel like starting from scratch, grab a freezer meal and microwave it. It ends up being much cheaper and quicker than eating out, and can be more healthful too.

Major Appliances

Purchase reliable appliances from reputable manufacturers. To learn more, consult Consumer Reports Magazine or its web site (www.consumerreports.org) for information about particular brands, their reliability, and energy usage.

After you have chosen a particular brand, locate several stores that carry it (either look in the phone book or consult the manufacturer's website for dealers). Call 3 to 4 dealers to get price quotes on the model you want. Try to negotiate the best price! Also inquire about delivery charges.

Utilities

Hydro

To save on your hydro bill, purchase the most energy-efficient appliances you can afford. The energy efficiency of major appliances is found on the Energy Guide Labels affixed to each one. To lower hydro bills, remember to turn off lights and ceiling fans when you leave the room, and run dishwashers and washing machines only when full.

Heat & Air Conditioning

A home energy audit can show you ways to save money on home heating and air conditioning. Your electric or gas company should

do an energy audit for little or no money. Setting thermometers so they use less energy is also a great way to cut your heating and air conditioning bills.

Telephone Service

Check with your phone company to see whether a flat rate or measured service plan will cost you less. You can save money by buying your phones instead of leasing them. Check your local phone bill to see if you have optional services you don't really need or use. Each option you drop could save you \$40 or more each year.

Long Distance Telephone Service

Evening or weekend long-distance calls cost significantly less than weekday calls. If you make more than a few long-distance calls each month, consider signing up for a calling plan. Check with several different long-distance companies to see which has the least expensive plan for the type of calls you make. Whenever possible, dial your long distance calls directly; having the operator complete a call can cost you an extra \$1 to \$3 per call.

About Consolidated Credit Counseling Services of Canada, Inc.

Consolidated Credit Counseling Services of Canada is a consumer oriented, non-profit, registered charity. We are an industry leader in providing credit counselling and debt management services. Our mission is to assist individuals and families in ending financial crises and to help them solve money management problems through education, motivation, and professional counselling. Our organization is funded primarily through voluntary contributions from participating creditors. Our programs are designed to save our clients money and liquidate debts at an excellent rate.

We are dedicated to empowering consumers through educational programs that will influence them to refrain from overspending and abusing credit cards, as well as to encourage them to save and invest. Regardless of whether your financial problems are due to the purchase of a new home, birth of a child, major illness, or any other circumstance, we can help.

* If you are headed for a debt disaster visit

www.ConsolidatedCredit.ca or call 1-800-656-4079 for free professional advice by a trained credit counsellor.

