



# MAKING THE MOST OF YOUR MONEY

## FINANCIAL TIPS FOR TODAY'S CONSUMER

CONSUMER CREDIT COUNSELING SERVICE OF MONTANA & WYOMING

Client Newsletter  
August 2009

### 5 minute guide to saving money with kids

Are the expenses of parenting taking up a big chunk of your budget? Here are two dozen tips for keeping costs under control. It's not just finances. It's philosophy. Do you need the big house? The minivan? Children grew up quite nicely before either of these caught on. Other things -- food, clothing, child care -- are plain old necessities. Still, there are ways to cut costs without rinsing and reusing baggies. Here are the basics and how you can control their costs.

#### ***They never stop eating***

***Kids eat and eat -- to the tune of \$225 to \$350 a month. Each.***

To save money, consider these tips:

- Brown-bag lunches, and don't succumb to fast-food temptations. If your kids know Happy Meals are an option, you'll get no peace.
- Do the grocery shopping alone and after eating. With hands free and stomach full, you'll have more time and energy to do comparison shopping, and you'll make fewer impulse buys. (See "Be a bargain-shopping champ.")
- Shop for a week's worth of groceries at a time.
- Buy snacks in bulk, then repackage them in plastic bags.
- Grow some of your own food, even if you grow it in containers. You'll save a bit, and a garden gives children an interest in what they eat.

#### ***And kids never stop growing***

***As children grow, their clothes get more expensive, averaging \$50 to \$75 a month by the time they are 18.***

- When they're young, shop at discount stores, thrift shops and resale or consignment stores. Then sell the outgrown clothes at the resale shop and use that money toward the next size up.
- Buy a season ahead. Most stores mark down prices to make room for the next season, and many resale stores put seasonal clothes on the half-price or dollar racks.
- For teens and preteens, labels are important. Buy the basics at discount stores. Then teach your children to shop around and buy on sale. If they insist on \$120 jeans, offer to pay a portion and let them use their allowance for the rest.

#### ***How to make child care affordable***

***Probably the biggest immediate expense you'll incur is for child care, which is especially expensive for infants. Depending on where you live, care can cost from \$300 to \$1,250 a month. Home day care is generally cheaper than a day-care center or preschool, but it's typically less structured and more of a baby-sitting environment.***

- Use the child- and dependent-care credit, which provides a tax credit of 20% to 35% for care for dependents 12 or younger (that's a dollar-for-dollar reduction of a large portion of your expense). You must have earned income, and the care provided must enable you to work or look for work.
- Save on taxes by paying child-care costs with pretax dollars through an employer-provided flexible-spending account.
- Telecommute, job-share or work flexible hours to reduce time away from home. Arrange your schedule so that you or a relative can be with your child.
- If your school district offers a free half-day prekindergarten program for 4-year-olds or a free full-day kindergarten, enroll your child. It can reduce child-care costs to after-school or half-day rates.

CCCS Main:  
2022 Central Ave.  
Great Falls, MT

Office Hours:  
8:00 a.m. - 5:30 p.m.  
Monday-Friday

Call Toll Free:  
(877) ASK-CCCS

[www.cccsmt.org](http://www.cccsmt.org)

CCCS Branch  
Locations &  
Phone Numbers:

Billings  
1620 Alderson Ave.  
Suite #27  
Billings, MT 59102  
(406) 656-4370

Bozeman  
8645 Huffine, Ste.3  
Bozeman, MT 59718  
(406) 582-9273

Butte  
800 East Front St.  
Butte, MT 59701  
(406) 723-5176

Helena  
910 East Lyndale  
Helena, MT 59604  
(406) 443-1774

Kalispell  
690 N. Meridian  
Suite 206  
Kalispell, MT 59901  
(406) 257-4069

Missoula  
1515 Fairview Avenue  
Suite 220  
Missoula, MT 59801  
(406) 543-1188

#### ***Don't miss our Family Fun Day in your town:***

August 8 in Great Falls at 2022 Central Avenue  
August 15 in Helena at Farmers Market  
August 22 in Billings at the Farmers Market  
August 29 in Kalispell at 3 Rivers Bank  
September 12 in Butte at the Farmers Market

Sign up to win a free Wii at Family Fun Day!

Questions or comments?  
Contact Lauri Abeyta at  
[labeysa@cccsmt.org](mailto:labeysa@cccsmt.org)

## 4 Signs your in Retirement Denial

Optimism is good; denial isn't. When it comes to retirement plans, the evidence is overwhelming: The recession will delay retirements for millions and reduce the standard of living of many people who are, or thought they were, near retirement.

A recent Pew Research Center survey, for example, says most middle-aged Americans are thinking about altering their retirement plans. Yet despite the short-term adjustments that consumers are making -- looking for bargains, saving more -- many continue to hold expectations about retirement that experts say are simply no longer realistic.

Here are four signs that you may be in denial about how the Wall Street and housing meltdowns have changed your retirement prospects.

**1. Your retirement plans haven't changed.** This is the big one, and most people are kidding themselves if this is their view. McKinsey & Co. has developed what it calls a retirement readiness index (.pdf file). It measures changes in the values of retirement assets -- Social Security, pensions and financial holdings -- to determine the financial preparedness of households for retirement. An index value of 100 means a household can maintain its current standard of living in retirement. The current index reading for a typical household is 63.

**2. Your retirement age hasn't changed.** Hello! McKinsey says its polling finds that only about 25% of consumers are thinking about postponing retirement. If you're in the other 75%, stop and think about what would happen to your standard of living in retirement. You don't need a retirement readiness index. Some financial planners say you can live for less in retirement, but health-care expenses likely will be steeper, and if you want to travel and enjoy leisure-time activities, your spending could rise, not fall.

**3. Your home is still your castle.** Housing values fell sharply in most markets, and many experts say it easily could take a decade for them to return to the inflation-adjusted values of 2007. Yet McKinsey found that the percentage of consumers expecting to finance their retirements by tapping the equity in their homes actually has risen. Take a serious look at the likely equity you'll have in your home when you reach your planned retirement age.

More than 60% of nonretirees polled said they expect to have no debt other than a mortgage when they retire, and only about 20% expected to have some debt. But more than half the retirees in the survey said they carried debts, excluding mortgages, into retirement.

Likewise, less than a quarter of nonretirees believe they will still owe money on a mortgage when they retire, but twice as many people who already have retired said they were still making mortgage payments when they stopped working.

## Kids Corner

### **Occupations Collage for Labor Day**

You can make a great collage for Labor Day by cutting out pictures of workers from magazines and gluing them to poster board. Older kids can write an essay to accompany their collage.

Supplies:

- Old magazines
- Scissors
- Glue
- Thick paper or poster board
- Markers (to decorate your collage)

Cut a variety of pictures of workers from old magazines. Glue the pictures artistically onto the paper or poster board. Decorate the collage using markers.

For older students: Label each of your pictures and write a paragraph (on a separate piece of paper) about the profession(s) pictured in your collage.