

IMPACT

Employee Newsletter

April-June 2009

Did you know?

- Free "Simple Will" Kits are available from Claremont EAP
- A free credit report is available once per year
- Claremont EAP provides legal referrals for family law, consumer issues, traffic violations, and personal injury
- Referrals are available for child care, adult/eldercare, adoption assistance, school/college selection, pet care, wellness and daily living/convenience services

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INSIDE THIS ISSUE:

- | | |
|--|-----|
| <i>As the Downturn Deepens, It's a Good Time to Review Your Financial Habits</i> | 1-2 |
| <i>Everything in Moderation: The 2009 Money Diet</i> | 3-4 |

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As the Downturn Deepens, It's a Good Time to Review Your Financial Habits

The old wisdom that says the economy turns positive in an election year appears to be exactly that – old wisdom. As the market continues its gyrations and bad news continues to flow on energy, housing and food prices, it's time for a tune-up of the way you spend, save and plan.

Assess your current financial situation.

If you're not already working with a financial planner, maybe you should be. Plan a visit now with a financial planner. Making a financial plan in bad economic



times can be a good idea because you'll develop a more protective mindset of your finances that can reap even greater benefits when times are good.

Create a budget.

In tough times, it's important to limit your spending on unnecessary extras and zero in on what financial goals are truly important. A financial planner can help

you with a reality check of your current spending and help you divert more of your weekly paycheck into an emergency fund as well as dollars to pay down debt and increase your savings and investments.

Convert to cash or debit for most of your spending.

Develop a "real-money-only" mentality. Your budget will tell you how much to spend, and the best way to stick to those numbers is to shop only with folding money or a debit card. Debit cards wearing a bankcard logo are typically welcome at most stores where credit cards are accepted. This way, you pay cash without the risks of carrying cash. If you're considering a debit card, ask your bank to limit the spending power on that card to the cash balance in your checking account, and be sure to ask how you're protected in case of loss or theft. Also, ask about any fees you may incur. (Continued on page 2)

As the Downturn Deepens, It's a Good Time to Review Your Financial Habits (continued)

Shop on a schedule with a comprehensive list.

Consider limiting your shopping trips to maybe one or two a week, and work only from a comprehensive shopping list that shows you everything you're thinking of buying in a week – groceries, family items and incidentals for yourself. First, planned shopping trips mean you'll save gas as well as time. Second, a comprehensive shopping list – either on a computer file or on a big sheet of legal paper – allows you to see everything you want and allows you to split your priorities between legitimate needs and stuff you can put on hold. What about the “wait for” side of the list? Keep those items in their own column on your main list week-to-week so you can keep a lookout for sales and coupons.

About those coupons.

If you're searching only in newspapers or print circulars for coupons, you might be missing big savings. If you have access to the Internet, use your search engine to identify manufacturers of items you regularly buy and see if you can get on their e-mail list for special coupons online. Major retail chains also e-mail coupons and news of special sales to customers online as well. Also, if you don't have something to type in that “discount code” box when you're buying something online, stop. It's wise to pull up another search window and type in the name of the product, the retailer's name and the words “discount code” and see if anything comes up that fits the product you're buying. Also, there are many independent coupon Web sites out there that will save you money, but use only those that won't put spyware on your computer that lets those companies monitor your spending and surfing habits.

Think about the holidays and year-end tax planning now.

December is probably the most damaging money month of the year. Now is a good time to start planning what you'll spend on presents and entertaining during the holiday season. Also, set aside some time to review your tax situation and set aside the funds for any charitable giving or investment moves you might want to make at year-end.



Everything in Moderation: The 2009 Money Diet

When it comes to overindulgence, money and food really aren't all that different. Both satisfy basic needs in our lives. Yet without boundaries, they can get us in a lot of trouble. Maybe it's time to take a few tips from diet experts when trying to control money problems. It's all about planning and moderation. Here are some ideas you might consider when starting a money diet in the New Year:



1. Figure out where you are...and where you need to be.

We've all seen those charts that tell us what we should weigh based on our height and age. If only money were that simple. That's why you should get some help if you've never tried to assess your money health before. A financial planning professional can ask the right questions and develop a customized plan to figure out your starting point and, based on your age, your earning potential and new habits you need to develop, where you'll be able to finish.

2. Track your spending...in detail.

Whether you do it with a pen and a notebook or a computer program, make a concerted effort to track your everyday spending. Physicians say overweight people should track every morsel of food they eat; with money, it's the same thing. Knowing where every dollar goes gives a quick picture where money can be saved or invested.

3. Create a financial calendar.

This might be a little easier if you've tracked your spending for a year. But even if you haven't, take a big 2009 desk calendar (or an electronic calendar that allows space for lots of notes to yourself) and in each day's square where you know you'll have to make a payment, write down the reason and the expected amount. (Hint: Write very small!) That way, you'll make sure you aren't tempted to overspend around those dates. What expenses are we talking about? Everything you have to meet on a regular basis and ones you know are coming up. Here are a few examples should get you started: Monthly mortgage, auto or rent payments; student loans, monthly utilities, home, auto, life or disability insurance; retirement savings; property taxes; tuition bills; a new car payment; big home maintenance expenses; property taxes; credit card payments (with payment amounts that exceed the minimum) and yes, vacations and special treats. What will this crowded calendar tell you? That by attacking debt, making certain sacrifices and spending and saving smarter, you can eventually un-crowd that calendar and your financial life.

4. Write down your long-term goals.

You need to think about the things you really want to do with your life and what those things will cost. Putting goals in writing gives them a formality and a starting point for the planning you must do. If these goals require saving, make sure you put those savings dates on the financial calendar you made in #2.

Everything in Moderation: The 2009 Money Diet (continued)

5. Permanently change your spending habits.

People who have lost a significant amount of weight - and kept it off - usually report that they've made slight but permanent lifestyle changes to do so. Money success requires similar dedication. For example, people who have rewarded themselves with unrestricted spending sprees should develop alternate behaviors that bring them as much satisfaction - meals home with friends or setting money aside to afford the occasional high-quality treat. It's all about finding out what they really value and deciding whether saving for retirement or affording their child's college education outranks buying an expensive car or clothing.

6. Don't go it alone.

Leading weight-loss programs like Weight Watchers have had long-term success for two reasons: affordability and easy access to information and support. Working with a financial planning professional on an ongoing basis can help you develop the right plan and stick to it.

7. Build failure and recovery into the plan.

How many diets have failed with the words, "I can't fail!" The fact is, with food or money, everyone goes off course at times. The important thing is to have a plan for corrective action if it happens or is about to happen. If you can minimize the damage and get back on course, your progress will continue.



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CLAREMONT EAP

Claremont distributes this newsletter to provide employees with general information and support. If you have concerns about these or other behavioral health issues, you can call Claremont to arrange for assistance. Claremont provides assistance with counseling, legal and financial issues as well as referrals for child care, elder care, school/college, parenting, pet care, wellness and daily living assistance. You will be directed to an appropriate, experienced professional who can offer guidance in a variety of work and family matters.

Responding to the Human Factor in the World of Work