

# CREDIT CORNER

WINTER 2016

CONSUMER CREDIT COUNSELING SERVICE OF NORTHEASTERN IOWA  
LICENCED, ACCREDITED, CERTIFIED, AND BONDED  
HERE TO HELP YOU!

## ARE YOU PAYING YOUR BILLS OR ARE YOU WORKING YOUR BUDGET?

Sometimes in thinking about our family finances, we tend to think of it as merely paying our bills. We may even be thinking well in such and such time this debt will be paid off.

Paying our bills is only one step to our family finances and our budgets. Budgets should be "then, now and when". For example, you have this credit card that the balance got a little out of hand. What caused that – used it for an emergency, used it for an unplanned expense...what ever the reason. Regardless, you are looking back at what happened. You can't undo the actions but you can understand what got you to that point. That is the "then." Your "now" is obviously paying that bill. Can you make an extra payment: even a little extra payment on this debt?

Here is where the "when" comes into play and has you working your budget. We know how we got into this debt; we are paying it, what happens next? Paying off your debt is more than just that. What happens next? Reviewing your complete budget and talking about your "when" makes your finances look forward. We know with

this bill paid off, for example, you could pay more on another debt. You could be reviewing your goals and possibly start savings for something you want. If you haven't been able to effectively save up for an emergency fund those now "freed up" monies might be enough to make that happen.

The whole purpose is to not be stuck in the paycheck by paycheck mentality even if our finances are currently that way. We want to look forward and know that our efforts will eventually pay off.

One thing to consider, make an appointment with your counselor for a review to discuss post-DMP. Even if you aren't close to finishing, not only is this an encouraging discussion; It is a "when" discussion. In talking about that when, not if, we pay off our debts we will be on our way to not just paying the bills but working your budget.



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## FLY

Try as I might I just can't escape writing a New Year's article. New Year's is everywhere. You might not always hear "Merry Christmas" but instead hear a "Happy Holidays." That isn't true about "Happy New Year." The New Year's theme is on TV, in stores, in magazines; it's everywhere. So what is the big deal about New Year's other than an excuse to party?

We buy new calendars; we have to change our date stamps in offices. There may be file close outs or other things to close out the year. It closes out our personal financial year to prepare for tax time. It all sounds like a lot of extra work to me.

I have been down the road (who hasn't) of making resolutions. I can't even keep my resolution to not make any resolutions.

Nevertheless, New Year's is different. It can be a new start, a year to begin again. Many times we are harder on ourselves. As a credit and housing counselor, I speak with people all the time that are struggling with guilt for the debt they have accumulated. We may look back when that card was only "\$500.00" and now look in horror at what it has become.

Non-New Year's resolution number one. You are not dismissing any responsibility for mistakes you have made. You are not fixing your wrongs. Rather, view financial improvement or whatever your target is, you are making

things right. Remember the "Then, Now and When" idea.

I received a really good quote from a friend. In a different way, it is related to this article. With life "stuff" including finances, how many times do we say or think, "If I knew then what I know now."

*For once you have tasted flight  
you will walk the earth  
with your eyes turned skywards,  
for there you have been  
and there you will long to return.*

*Leonardo da Vinci*

This is possible. Being on a Debt Management Program is one way to move forward – to get the finances in order. More importantly it is getting you back in control and again, ready to fly!

## Your CCCS Offices

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