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**PRESS RELEASE**

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**BACK TO SCHOOL ON A BUDGET**

*How to Avoid Breaking the Bank on Back to School Shopping*

**SAN DIEGO, August 25, 2008** – The temperatures outside are soaring and although the weather may indicate otherwise, it is back-to-school time according to the school calendar. Summer is coming to a close and many families will begin shopping for notebooks, clothes and other necessary supplies. Although parents are usually pleased that their children are due back in the classroom soon, if they don't budget carefully these expenses can become quite a burden and an unnecessary source of stress.

The National Retail Federation, an industry trade group, forecast a 5.4 percent increase in spending for families with children in kindergarten through 12<sup>th</sup> grade to an average of \$594.24 per family. This percentage may not seem to be a lot, but it certainly is given the fact that average families have to conserve as gas and food prices continue to fluctuate and higher mortgage payments are the reality. Adding further stress is the fact that many teens and college students will be unable to provide much help in purchasing back-to-school items since many were unable to secure work over the summer.

And the school expenses don't stop at paper, pencils and clothes. You must also consider school photos, yearbooks, backpacks, calculators and computers. How is the average family to best plan for these expenses?

**Debt-Free America offers the following tips to help parents save money on back-to-school shopping:**

**Set a budget**

When preparing a back-to-school budget, start by taking a thorough inventory of what you have already. Then, set a fixed amount to be spent on school supplies and list each item that you need for school using a prioritized list. Don't forget to list expenses such as yearbooks, extra-curricular activities and uniforms, field trips and immunizations. By having a prioritized, budgeted shopping list, you will avoid wasting money on items you don't need. If your budget is really tight, purchase only the necessities at first. This way, you are giving yourself time to save for later expenses that may come up throughout the year.

**Do your research**

Before you leave the house, be sure to get out the ads and compare prices. Make a list of where you need to go in addition to what you need from each store. With gas prices at over 4 dollars a gallon, unnecessary trips can be costly.

**Use back-to-school shopping as a budgeting lesson**

Involve your children in the back-to-school shopping process. Before shopping, sit down with your family and decide on a budget and share that capped amount with them. Talk to them about how to "comparison" shop, and teach them about ways to save like clipping coupons, looking for sales early or buying supplies quarterly or by semester.

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While shopping, encourage children to follow the budget spending limit and stress that getting one or more expensive items might mean sacrificing something else. Also, take a blank print out of the back-to-school budget sheet with you and have your child enter in all of the items and their actual expenses, then compare to the spending limit. Another option is to give the kids prepaid debit cards. The cards work like debit cards but they have a set amount of money loaded onto them. This added involvement will teach them about smart shopping, and they will value what you buy for them much more.

### **Save on school supplies**

Shopping the back-to-school section at an expensive retailer may be convenient, however comparing prices with lower priced outlets and office supply stores could save you money. Scan advertisements and flyers in the paper, and when you see a really good buy, get enough to last throughout the school year.

Furthermore, be aware that some of the best sales for school supplies are likely to happen in September, when school is already in session. Maybe your kids can make due until then. Some schools or teachers give parents a list of supplies your child will need for their classes. If they don't or you are not too sure, check with the school or teachers to determine what supplies are needed so you don't buy something they won't use.

### **Dress for success**

While everyone wants their child to look their best, remember that kids get dirty, grow quickly and are very hard on their clothes. First, have your child try on the clothes in their closet to evaluate what still fits. For new clothes, set a dollar limit for each child and try revisiting old outfits with new accessories, or buy one "trendy" item to go with the well-worn blue jeans. Consider alternative to local malls by visiting outlet malls or off-the-beaten-path stores.

Also, try garage sales, thrift stores and consignment shops. Although these places may require some legwork, the bargains can be incredible. Finally, remember that you don't have to buy all their clothes for the year now. You can buy a few things now and then more as the need arises. In general, it's best to pace yourself so you can buy with cash rather than credit.

### **Remember eBay and Craigslist**

Many people don't think of websites such as eBay and Craigslist when shopping for back to school clothing, but these sites are great places to find new and slightly used items at great prices. This option can also save you time and gas since you don't have to drive around from different locations.

### **Don't spend too much on technology**

Many college students will tell you that to be successful in school, one must have a personal computer. Although the universities do provide public computers for their students, many students live off campus and find it inconvenient to always have to commute to complete their work. Therefore, knowing where to buy an inexpensive Mac or PC is key to not breaking the bank when making such an important purchase. As with clothing, eBay and Craigslist are excellent options for electronics, and parents and students should consider refurbished computers as an additional option.

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### **Avoid the credit card**

Avoid purchasing back-to-school items with a credit card, unless you plan to pay off the balance in a short amount of time (two weeks to a month). The price is just too high and the mounting debt can be stressful.

For example, you may spend \$500 on an 18 percent interest credit card during your child's first year of high school and make only the minimum payments. Your child will finish high school and be well on his or her way through college before you finally pay off the balance for those 9th grade school supplies.

**WHAT:** Back-to-school budgeting

**WHO:** Debt-Free America

- Nationwide non-profit community service organization
- Offers confidential and professional credit counseling and debt management programs

**WHEN:** Interviews are available immediately and ongoing

**WHERE:** In-studio or phone interviews with local Debt-Free America counselors

*Debt-Free America is a 501(c)3 non-profit, community service organization offering confidential and professional credit counseling, debt management programs, and financial education to consumers nationwide. Debt-Free America is dedicated to providing FREE services to help financially distressed families and individuals effectively manage their personal finances. The Board members and operations staff have a long-term commitment to helping anyone in debt crisis, and even those not in a debt crisis. Debt-Free America has been in the business since 1997 and is now serving over 16,000 clients nationwide. Visit them on the web at [www.debtfreeamerica.com](http://www.debtfreeamerica.com).*

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