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PRESS RELEASE

AVOIDING THE HOLIDAY BLUES

Smart Savings for Smart Spenders

SAN DIEGO, October 20, 2008 – ‘Tis the season to be frugal? In light of the current economic situation, it seems so as consumers are increasingly looking for ways to be more cost effective this holiday season. With a weakening economy, many people will focus their attention on finding ways to save money, instead of spending money.

In fact, according to the Consumer Federation of America, Americans bear \$850 billion in credit card debt. Individually, each household carries approximately an average balance of \$8,568 in debt.

During the holidays of the past, we have used out credit cards to get us through the budget crunch that may be placed on us by spending on gifts, groceries and parties. But with the credit markets frozen this October, getting credit could be tough for many consumers.

Without plastic to finance the holidays, what are we to do? How can we enjoy the holidays without getting into our own personal credit crisis? The key is in planning ahead, practicing self-control and in searching for deals.

San Diego Metropolitan Credit Union feels that the key to maneuvering through the holiday season without piling on debt is to plan ahead, practice self-control and to search for deals – so in January, you won’t be saying “Bah Humbug”!

Plan Ahead Even Before the Holiday Season – Look For Ways to Save Before You Spend

Is it better to give than to receive? Many believe so, and gift giving is often seen as valued more if the giver or receiver has sacrificed something on their behalf. But is that sacrifice necessary? Not when it comes to creating debt for you and your family.

To make gift giving tolerable on your wallet, first check your budget and modern day living routines for extra ways to save before the holiday season.

- **Limit yourself to going out one night out of the week.** Cooking a meal at home is not only easier on your pocketbook, but many times is healthier and cheaper. And just because you are eating at home doesn’t mean you have to eat in isolation. Invite your family and friends over for dinner too. It’s a great way to spend some quality time together without over-spending.
- **Unplug all electronics and appliances before leaving the house.** Though your blow-dryer or computer isn’t on, electricity is still being used up. Save some dollars off your electricity bill by making it a habit to unplug the appliances that you don’t use.
- **Check what TV service you are paying for.** Most of the time, we watch only half of the channels that we pay for. Instead of paying for channels that you don’t watch, call your TV service and remove them.

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- **Take public transportation or carpool.** Utilize the public transportation in your neighborhood or carpool with a colleague to work. This in turn will save money on gas and the environment will appreciate your eco-friendly contribution.
- **Have a garage or yard sale.** This allows you to rid your residence of clutter and you can make some extra money doing it.

Create a Holiday Budget

- **Look at old receipts.** If possible, review old receipts or bank statements and estimate what you spent over the holiday season. Then, work toward a plan to save that amount for this year's holiday season.
- **Plan for the "extra" expenses.** Make sure that you include extra expenses such as groceries for that special Thanksgiving meal, the holiday dress or travel expenses such as airline tickets, into your regular budget.

Spend Smart

If you find yourself struggling before the holidays even begin, don't automatically reach for your credit card. There are ways to get through the holidays without looking like Scrooge.

- **Only pay with cash.** Once you've developed a budget for yourself this holiday season, if possible, only bring cash or a debit card while you shop. You won't be tempted to charge the impulse buys you find along the way.
- **Make a list and check it twice.** Make a list of everyone you need to shop for and determine exactly what you want to get them before you ever leave your house. This will keep you from spending more than you were expecting.
- **If possible, don't wait until the last minute.** Last minute presents also seem to cost more because time seems to outweigh price at that point. Shopping early will also allow you to take your time to shop around for the best prices.
- **Give entire families one gift instead of one gift per family member.** Instead of spending \$20 per person on five people, spend \$50 on the family as a whole. Think of things the family likes to do together and then get creative.
- **Remember the reason for the season.** Whichever holiday you celebrate, remember this time is a special time to get together with family and friends and enjoy each other's company, not to impress each other with expensive gifts.
- **If you have to turn to credit.** Consider opening up a line of credit with your credit union rather than getting a credit card. Interest rates will be lower and there are generally no penalties for early repayment.

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Don't panic if you overspend

Just in case you overspend on something special for that special someone, or went over your budget on party supplies, don't worry. Come the New Year, do your best to scale back on your spending. What better time than to get on track in January?

Also, remember, the holidays are meant to be a joyous occasion with friends and family. By planning wisely and shopping accordingly to your budget, you will be able to get memorable gifts for your loved ones, without drowning in debt this year. San Diego Metropolitan Credit Union can counsel you and offer services that can help you save and make your holiday spending a happy experience.

San Diego Metropolitan Credit Union (SDMCU) is committed to its community and members and provides services to families and individuals to manage their personal finances. SDMCU has been in business since 1934 and serves over 20,000 members. SDMCU's corporate headquarters are located in San Diego and information about SDMCU is available on the worldwide web at www.sdmcu.org.

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