



## Declare Your Independence Over Debt This Summer

With families coming together more often for barbeques, backyard parties, and vacations, the summer is also an ideal time for families to discuss their credit and debt in the second half of the year. Here are some ways for people to take control of their debt and credit and create a financial plan to help set them on the independent path to financial freedom in the second half of 2011:

**Estimate Available Income** – Determine your total income by taking wages, pensions, public assistance, and investments minus deductions like all taxes, social security, and health insurance premiums. The total amount of money left after subtracting deductions from your total income equals your available income.

**Check Your Spending** – Compare recent and past spending patterns. This will remove the guesswork from financial planning. Identify your past spending patterns by reviewing cancelled checks, receipts, charge statements, and other useful records of expenses for the past two to three months.

**Prioritize Your Debts** – Debts that take first priority are the ones directly related to your ability to survive, such as mortgages or other secured loans like auto loans. If you default on these kinds of loans, you can face foreclosure or repossession.

**Set Financial Goals** – Before you can create a plan for spending and saving, financial goals must be established. Goals reflect values and provide direction for planning.

**Create a Budget** – A budget forces you to get your spending under control, to “live below your means,” which is exactly what you’ll need to do to start eliminating your debt.

**Use Cash for New Purchases** – Unless you pay off the entire balance of your credit cards every month, you are probably paying interest on new purchases from the date of the purchase. If you stop using your credit cards altogether, you will be able to reduce your debt more quickly.

**Review the Plan** – The plan will require periodic evaluations every two to three months. Do not be surprised if, in the beginning, actual expenses are quite different from estimated expenses.

**Involve Your Family** – Discuss what’s important to those in your household. Everyone in your house has a different priority and this will dictate how they feel about money.

By planning now, sticking to your goals and reviewing your progress, you should be able to ring in 2012 well down the path to financial independence.



## Back-to-School Savings for Your Household Budget

Students aren't the only ones who'll need to pull out the pens, paper, and calculators for the back-to-school season. Parents who want to keep back-to-school spending under control should consider doing the same.

Backpacks, paper, books, pens, pencils, calculators, computers, clothes and shoes are basic necessities that can add up quickly and become significant expenses for any household. Develop and stick to a solid spending plan to avoid overspending.

Here are tips to help keep your budget on track:

- Develop a back-to-school budget
- Take an inventory of school necessities
- Create a comprehensive shopping list
- Involve children in decision-making
- Shop for the best prices

- Check for sales tax holidays in your state: [www.taxadmin.org/fta/rate/sales\\_holiday.html](http://www.taxadmin.org/fta/rate/sales_holiday.html)
- Purchase generic or store-brand supplies
- Use credit wisely, and always pay with cash when possible



## GreenPath Celebrates 50 Years of Service

GreenPath began on August 1, 1961, as a budgeting and financial education service that was part of the **Michigan Credit Union League**. In 1968, business leaders with an interest in providing a source of financial information and counseling raised funds through a joint capitalization effort to create **Credit Counseling Centers, Inc. (CCC)**, a 501(c)3 non-profit corporation.

Throughout the 1970s and 1980s, CCC experienced exponential growth. The company not only expanded into multiple counties across Michigan, but also into other states including Illinois and New York. From 1988 to 1994, CCC more than doubled the number of office locations from 14 to 30 and tripled the number of consumers served from 2,932 to 9,000.

In July 2001, the company changed its name to **GreenPath, Inc.**, doing business as **GreenPath Debt Solutions**, in an effort to establish a unique brand identity as a national leader in financial counseling and education.

In 2003, Greenpath launched **Accel Members Financial Counseling**, a program designed to help credit unions meet the individual needs of their members.

Today, GreenPath employs nearly 600 people across the country. The company operates 61 full-time branch offices in Michigan, New York, New Hampshire, Colorado, Florida, Texas, Vermont, Illinois, Indiana, Wisconsin, Arizona and Wyoming. They also deliver services throughout the United States over the Internet and telephone.

As a member of First Energy Family Credit Union, you can take advantage of the **Accel** program, a **free** financial education and counseling program. To use this service, simply call 1-877-33ACCEL (332-2235) or visit them on the web at [www.accelservices.org](http://www.accelservices.org).

