



From  
**Credit Card Relief™**  
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## **Save Small...or Save Big**

### **Which Is The Better Way To Save Money?**

If you are looking for additional ways to save money each month to help yourself get out from under your credit card debt more quickly – along with, of course, your participation in the Credit Card Relief™ program – then you probably have asked yourself: “What is the best way to do this?”

There are two theories out there as to what represents the best approach to saving money each month to speed up getting out of debt: pinching pennies (Save Small), or downsizing large expenses (Save Big). Both methods have their adherents.

#### **Save Small:**

The premise here is that taking many small steps adds up to large savings over a year’s time. Reduce or eliminate your spending on what are termed “unnecessary” items. Say “No” to the daily \$4 latte; buy “store” brands instead of “name” brands; mow your own yard instead of paying the neighbor kid to do it; eliminate eating out at restaurants except for very special occasions; pack a lunch instead of buying one; clip coupons. These can all add up each month to some impressive savings – hundreds of dollars, depending on your commitment and how many of these items are applicable to your life style.

Saving that money each month helps reduce the amount of money you spend each month, but can saving a hundred or even a couple of hundred dollars each month really make a significant impact on getting out of debt? The proponents of this course of action say that it can do exactly that – **if you apply 100% those monthly savings directly to getting yourself out of debt.** And that is a big IF: the problem is that often those small individual savings get spent on other small “unnecessary” items: you forego the \$4 latte, but buy the “\$3 reduced price book” instead because after all you just saved that \$4 by not buying the coffee, right? And the book is only \$3...so you saved \$1...so that’s good, isn’t? But you just “reduced” your total savings by 75%. And it also requires tracking those small savings each day so that at the end of the month you know how much more you can apply to your debt.

And does the daily stress of trying to pinch as many pennies as possible cause more anxiety than it is worth?

#### **Save Big:**

The Save Big proponents say that Saving Small is just “stepping over dollars to pick up pennies”. And they don’t think that most people can “nickel and dime” their way to becoming debt free. They believe that the only way to get out of debt in a reasonable time is to downsize the big expenditures in your life and to apply those cost savings immediately and directly to reducing your debt: move into a less expensive home; sell the second car and use only one car; and even reducing 401K deductions so you can have more cash each month to apply to eliminating your debt – and then increase your 401K deduction amount back up once the debt is paid off or lowered sufficiently.

But selling your home and buying another home can be very stress inducing, and can be financially tricky: if not careful, the cost to actually do so may offset the savings – at least in the short term – and you won’t be any better off – just in a cheaper home. Selling the second (or third car) if at all possible **does** make good

financial sense if the money gained from the sale is applied to the debt. And touching your 401K deduction is only advisable as a last resort and ONLY if it is a non-matching 401K.

### **So Who Is Right: Save Small or Save Big?**

As is usually the case, the answer is one of balance, not absolutes.

Being frugal to some extent is always a good "life style choice". It prepares you for lean times and reinforces good savings and spending habits. For most people, even the wealthy, it is not how much money you make but how well you plan your finances and how you spend the money you do have.

Identify some of the areas where "pinching the pennies" really does makes sense; but just as importantly, formulate a plan on how to directly and immediately apply those savings to reducing your debt. Increasing your Monthly Allocation amount to the Enrolled Members Trust is one of the best ways to do this!

But also look long and hard at the big picture: is there a way to get by on only one car? Can you sell the riding mower and use a push mower? (It is good exercise, after all.) Can you get by for a couple of years without going on vacation? These are large sacrifices, of course, but they also represent large, lump sum savings that you can rapidly realize. And making those amounts available to your Mediators will enable them to make offers to your creditors to settle your debts even more quickly!

The actions you take now over the next year or two to help save money to apply to getting yourself out of debt more quickly will become savings habits that will serve you well once you *are* out of debt. And it will help keep you out of debt and allow you to start building personal wealth for your family's future.



### **LETTERS TO THE EDITOR**

**Here is this month's winning "Letter-to-the-Editor".  
This Client will be credited \$49.95 to their Trust Account.**

CCR,

I can't thank you enough for the help you are providing my little "starving student family" right now. My spouse and I are both pursuing Ph.D.s full-time, and have minimal incomes as I work 2 part-time hourly-wage jobs, and my husband was a product of layoffs and has remained under-employed ever since in smaller part-time jobs for the last 18 months. In a trying economy, credit card relief is a breath of fresh air to us.

We both want to become professors and between student loans and some tuition assistance, we barely make it each month and are both accumulating excessive debts that we hope to be able to pay with professor salaries one day. We are the exact family that "falls through the loopholes" when it comes to provisions for low income families and the ones that tended to use credit cards for daily expenditures to survive. We share a 13-year old car and rent a small 1936 home. We don't live lavishly and I commute on the bus all the time. I love being enrolled in CCR because I know I am not alone in being overwhelmed with credit card debt, or being a poor student.

Thank you for providing much needed relief, including fewer sleepless nights and decreased arguments over finances with my spouse. We finally feel like we are controlling our finances instead of our finances controlling us. I don't know how we would tackle this much debt alone without you.

Tiffany in Oklahoma

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**Call us at: 1-866-241-3328 ~ ~ Email us at: [ccare@ccrnw.com](mailto:ccare@ccrnw.com) ~or~ Fax us at 1-317-610-4058**

### **Professional Services Department**

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**Thank you for your trust and confidence in Credit Card Relief™. We look forward to the day when your name is added to our growing list of Credit Card Relief™ graduates.**

**If you have any questions or problems, do not hesitate to contact the  
Professional Services Department at 1-866-241-3328.**