

# Topic of the Month

# August

**Beat the Back-To-School Budget Blues**

**QUESTIONS? Contact ANH at 1-800.556.1548**



Butterflies in the stomach aren't solely the affliction of students returning to a new school year, but of their parents as well - who are faced with one of the largest annual, single expenses: back to school shopping.



With more single parents and in general, less money in the family budget, back-to-school shopping and the inevitable cost of it all can be overwhelming. Therefore, it's more crucial than ever to be a proactive consumer and an informed shopper. With some careful planning, a creative attitude, and a mission to shop smart, you don't need to fall victim to the back-to-school budget blues. Here are some helpful tips to control your school list spending instead of letting the spending control you!

## Estimate Expenses and Create a Budget

Before you can begin to calculate what you need to spend, you must first determine what you still have that may be useful for the upcoming school year. This means doing a careful inventory of clothing and supplies on hand. Then, develop a budget for the remaining needs. List each of these items in priority order. Remember, to keep to your budget, a prioritized list can be easily trimmed by cutting from the bottom!

## Let the Shopping Begin!

Make shopping an adventure with the goal of finding what you want at the price you can afford. Consider the many alternatives to the shopping mall where you pay full retail price. Visit outlets, discount stores, consignment and thrift shops where you can find unique, quality clothing at prices that are affordable. Remember first to check with your child's school on dress code policies that may have changed from the previous school year.



## Compare Prices and Go for the 2-for-1s!

We all know that prices for the same item vary store by store. So, let your fingers do the shopping first by checking as many newspaper advertisements, catalogs, and on-line shopping sites as possible before you go in for the purchase. Clip coupons if possible. Take advantage of as many "buy one get one free or half-price" deals as possible, as long as these items are on your priority list. And, remember also to take advantage of any "sales tax holiday" offered in your state.

## Save on School Supplies

Start with the school supply list provided by your child's school and mark-off those supplies already on hand at home. Before purchasing the remaining items, compare prices at office supply stores and discount drug chains. Then, visit your local "Dollar Stores" and purchase as many of these supplies there as possible. Here you can stock up on paper, notebooks, pencils, and many standard, generic items. If however, your child needs a special calculator, for example, go ahead and purchase the best you can afford, since this is an item that can be used for several school years to come and quality does matter.

## Make It A Family Affair

Include your kids in the back-to-school shopping outings. They will need to make decisions on colors, styles, sizes, etc., within the budget you have established. Should he/she spend the money on a cool notebook that costs a few dollars more than the standard one, or put that additional money towards the more expensive designer backpack? Working within a fixed budget requires a give and take attitude! If your child is older, say middle-school aged, teach them that there is only a certain amount of money set aside for their needs. If they want that pair of designer jeans, then they have to understand the rest of the money must be stretched to cover everything else they need. Knowing and understanding this fact, watch your children become creative! Not only will they learn about smart shopping, but also they will value their purchases that much more.

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### Plan NOW For Next Year

Start saving for next year's back-to-school shopping extravaganza now! If you calculate the amount you have spent this year on all back-to-school related items for your children, simply divide this number by 52 and subtract this dollar amount from your paycheck each week. Set this money aside in a special place, be it a new savings account, or a coffee can in the kitchen – wherever you won't be tempted to dip in. It's much easier to set aside five or ten dollars each week instead of having to come up with a few hundred dollars next August!

### Say "NO" to Credit Cards!

Try your best to avoid paying for back-to-school purchases with a credit card and use cash or a debit card instead. Why? Simple - the price of credit is just too high. Here's a clear example: If you spend \$500 on a credit card that has an 18% interest rate during your child's first year of high school and you make only the minimum monthly payments each month on this amount, your child will have finished high school and be well on his/her way to a college degree before you finally pay off the balance!

### Other Important Considerations...

- ▶ In addition to all the known expenses associated with back-to-school time, it is also important to set aside some money for unforeseen needs, so that you may be prepared for expenses that arise during the school year, such as additional supplies, school trips, additional school uniforms, or sports equipment.
- ▶ Children grow like weeds, so look for clothing that can be "modified" to get the most value for your purchases. Long pants can be made into shorts when outgrown in length; long sleeves can be cut into short sleeves when they become too snug; and, straight-line dresses can become stylish tunics as your child grows.
- ▶ If you run across a truly fabulous sale on a pair of shoes or sneakers that are now too big for your child's feet, buy them anyway and put them away until your child grows into them. Quality brands like Reebok, Nike, and Adidas will continue to be popular and rather than having to run out and buy a new pair of sneakers at full price when your child needs them, you will already have pair in waiting.
- ▶ Become a Do-It-Yourselfer! Custom-made and decorated dresses, jeans, and shorts are all the craze right now. Purchase material on sale and create fashion from scratch, or purchase affordable wardrobe basics and make them unique with patches, trimmings, and paint. Your child will be a trendsetter, and your budget will thank you!



## BUDGETING TIPS FROM THE EXPERTS!!

### Shopping for School Supplies On-Line May Save You \$\$\$\$

*Shopping on-line is certainly easier than standing in line at the cashier at your local store and may save you money to boot.*

Check out the Internet sites below for commonly needed school supplies. Many of these companies offer free shipping with minimum orders.

- [www.discountofficesupplies.com/ce/shop/ui](http://www.discountofficesupplies.com/ce/shop/ui)
- [www.orientaltrading.com](http://www.orientaltrading.com)
- [www.viking.com](http://www.viking.com)
- [www.BuyOnlineNow.com/School-Supply](http://www.BuyOnlineNow.com/School-Supply)
- [www.officedepot.com](http://www.officedepot.com)
- [www.wholesaledirectschoolsupply.com](http://www.wholesaledirectschoolsupply.com)

Everything that your child or children will need to start the new school will take money. So, carefully analyze your financial situation and source where best to purchase the items you need so as to minimize your expenses and continue to stay on budget. No one ever said it would be easy, but it certainly is possible and in the end, even rewarding! Good luck and good shopping!

**For more information on this topic, please contact a Certified Credit Counselor at 1-800-556-1548.**



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