



# Center For Consumer Credit Counseling

715 Douglas St. Sioux City, IA 51101  
712-252-1861 ext. 47  
877-580-5526  
Fax: 712-255-1352

CENTER FOR SIOUXLAND

October 2016

## Dates to Remember

- \* CCCC is closed the 2nd Thursday of every month from 9:00—10:00am.
- \* CCCC will be closed at 12:30 on October 7
- \* CCCC will be closed November 24th & 25th for the holiday.
- \* CCCC will be closed December 23rd & 26th for holiday.

**If your accounts with CCCC are nearing pay off, please send us an updated statement. Not all creditors notify us of balance changes, so we rely on you to provide us up-to-date information.**

**For example:** If we believe we have paid off a balance because our records reflect it as \$0.00, but in actuality there is still a balance on your statement, you could be incurring fees and an increased balance each month.

**It is your responsibility to notify us and provide us with updated statements in order to avoid these types of errors. If you have questions, please contact your counselor.**



## Holidays are almost here.....

*From Practical Money Skills—Holiday Money Tips!*

**\*\*Reminder\*\***  
If you receive a notice from a creditor notifying you that they have either sold or purchased your account, please provide us with the updated information.

Let us know when your address or phone number changes.

Thank You!

- \* **Develop a budget and stick to it.** Do not spend more than 1.5% of your annual household income on holiday gifts and entertainment.
- \* **Create a “micro budget”.** Make a list of everyone on your gift list and how much you would like to spend on each one.
- \* **Shop early.** You will have more time to compare prices.
- \* **Get creative.** DIY projects/gifts can be some of the best gifts.
- \* **Draw names & create spending caps.** Works well with large families and large groups of friends. Limit amount to \$10-\$20.
- \* **Shop on-line.** Fast & easy. Helps to avoid eating out or impulse shopping for things not on your list.
- \* **Payoff your credit cards.** If using credit cards for gifts be sure you have funds in your bank account to pay them off in full.
- \* **Enjoy free & inexpensive holiday activities.** Check local community calendar for free activities, watch classic movies, or have game night.

# The Psychology Of Saving Money

## ***Could it all rest on whether you think about the future?***

Some people seem to be able to build up a savings account with little effort. Others struggle to do so and become mired in debt.

Is it a question of income, financial literacy, or is it something else? Psychologists are wading into this issue, with new research suggesting there is one distinctive difference between those who save and those who don't. Research presented at the annual convention of the American Psychological Association found that people who focus on the future are less likely to give into impulse, no matter their level of financial literacy.

Those who live in the moment are more likely to spend like there's no tomorrow. "Our results suggest that by helping people to create vivid, detailed mental pictures of their future, we may be able to help people make better financial decisions," said Sarah Newcomb, a behavioral economist at Morningstar, who presented the research.

Psychology has long been used by marketers to identify ways to get consumers to spend more money. Now, it seems financial planners are exploring the human mind to help people save. Newcomb says the research was aimed at better understanding the human emotions involved with money.

## ***Impulsiveness and materialism***

A study of over 700 consumers linked impulsiveness and materialism – traits associated with in-the-moment living – with poor financial decision-making. The study found that forward thinking was a better predictor of good financial behavior than the degree of financial literacy each participant possessed.

An economist recently offered a similar theory. Earlier this year Keith Chen, an associate professor of economics at UCLA, said that his research focused on the savings rate of people who spoke different languages. He found an intriguing consistency. People who speak languages that make little or no distinction between the present and future tend to be the world's biggest money-savers.

The Chinese language, he says, is a good example. There is little difference in future and present tense and the Chinese are among the world's most prolific savers. English, on the other hand, makes sharp distinctions between present and future, and Americans and the British are among the worst savers.

## ***Key to better financial behavior***

Newcomb says financial literacy efforts are fine, but she urges efforts to help consumers focus on the future. "Working with individuals to develop a clearer picture of their future may have a more substantial impact than simply teaching financial concepts," she said.

In the meantime, she says her research made one thing clear – the destructive role of credit cards. Newcomb said the study showed that even the most impulsive consumers were able to save some money if they did not have access to credit cards. "This suggests that the first line of intervention for better financial health among people who struggle with impulse problems may be to stop the use of credit cards altogether," she said.

**By Mark Huffman**  
**Consumer Affairs 8/5/2016**