



HOLIDAY SPENDING TIPS: WHY IT'S BETTER TO SHOP WITH CASH INSTEAD OF CREDIT CARDS

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GOOD DAY COLUMBUS
CLINTON SMITH
CEO, GOVERNMENT AND CIVIL EMPLOYEE SERVICES

HOST MARIA DURANT: Well the holiday season is supposed to be fun and joyful, but for some it involves, well, a lot of spending.

HOST JACKIE OROZCO: Yes, so to help keep track of how much you're spending this holiday season, is CEO of Government & Civil Employee Services, Clinton **SMITH**. So, good morning, thank you for being here.

CLINTON SMITH, CEO OF GOVERNMENT & CIVIL EMPLOYEE SERVICES: Good morning, good morning, thank you for having me.

HOST OROZCO: Yeah, so we're going to go through some points of how to ditch the credit cards this holiday season, which, already me and Maria said it's like impossible.

HOST DURANT: We're like, what?!

HOST OROZCO: So, why do we need to ditch the plastic?

SMITH: I know it's going to be a difficult thing to do this year, but if you ask yourself paper or plastic whenever you're checking out anywhere, it's really easy to just decide that you're only going to use paper this holiday season. Cause, if you're going to use plastic it's just so easy to just swipe, swipe, swipe and then swipe again and then maybe swipe on your cellphone and not even remember it. So, if you use cash, you're literally holding your budget right there in your hand.

HOST DURANT: Yeah, you say that allows you to stay within your budget, right?

SMITH: Yep, you're holding your budget. If you say, "Okay, I am only going to take out \$200 and I am going to use that toward holiday shopping," then you only have that \$200 in hand. You can't spend more than that, you know? So, it's literally holding your budget if you just use cash.

HOST OROZCO: You also say that it eliminates debt?

SMITH: Yes, so a lot of people are going to have New Year's resolutions, right? Now is our chance to make a holiday resolution - to not go into next year with more debt. And then also, you're already crossing that thing off your list for your New Year's resolution. So, if you're racking up credit card debt and you're not paying off your credit cards every month, then you're going to have interest fees and that's stuff that you're going to carry into 2020.

HOST OROZCO: So, how do you avoid online shopping? Everything is so convenient now. So, I know you want the cold, hard cash, but it's like well, I shop on Amazon or whatever.

HOST DURANT: Yeah, he just bought a vacuum cleaner, remember [laughs].

HOST OROZCO: Yeah, right [laughs].

SMITH: Yeah, believe me, I bought a vacuum cleaner online. By the time it got there I forgot I had it coming, so that's really the thing. If you're going to spend stuff online and you're going to use your credit cards, which believe me, I like a credit card just like everybody else, but you have to pay it off every month. So, if you're going to make a holiday resolution to only use cash, use your debit card, instead of a credit card. Of if you're going to use your credit card if you have to, make sure you can pay it off at the end of the month.

HOST DURANT: Right. And you also say it all permits you to spread out your holiday shopping, if you're using cash?

SMITH: Yeah, so, really if you think about this and you're only taking - a lot of people live paycheck-to-paycheck -

HOST DURANT: Right.

SMITH: And a lot of people don't have a huge amount of extra cash every paycheck. So, if you know that you can afford \$50 every paycheck, maybe start in October and spend a little bit out of every paycheck. Don't go and spend everything the night before on Christmas Eve. That's how I do my shopping. Don't do that. Spread it out through a couple paychecks. That way the burden is a little bit less on your finances.

HOST DURANT: Oh, okay.

HOST OROZCO: Oh, that's a good one.

HOST DURANT: That's a good idea. Start early.

SMITH: Yeah.

HOST OROZCO: I know, we need all these tips. So, how about, also, people that want to use their points and things like that, too. Aren't you kind of eager to use the credit card, too?

SMITH: Yeah, so that's the thing. If you can pay it off at

the end of the month, definitely go ahead and use the credit card.

HOST OROZCO: Okay.

SMITH: But, still, keep that budget in mind. You know what I mean? It's so easy to just swipe on Amazon. It's like two clicks and you have stuff showing up at your door. So, if you can use credit card points and rewards, go ahead and use those because you can definitely use those to get more gifts and stuff and that's really going to help you budget too.

HOST DURANT: And I guess if you are, you know, using cash, it's a lot safer, too. Right?

SMITH: Yeah. Well, you know, there is a lot of security breaches. People have their identity stolen. You know, as long as you don't lose your wallet with all your cash in it, you should be good.

HOST DURANT: Right.

HOST OROZCO: And also, you know, people with big families, I know they kind of do like a grab bag - like one present for everybody. So, it's like, "Okay, I don't have to buy a present for all these people." I think that's a good idea.

SMITH: Yes. My family, it's really a lot of fun, we do a white elephant gift exchange every year. I have a really great idea for this year, I can't tell anyone.

HOST DURANT: Oh, no, come on [laughs].

SMITH: But it's going to be really good. So, we do that at my family, too, because if you have a big family, you're buying for everyone. Family can come together and I think everybody is probably feeling the same way - if you're buying too much and it's too much of a burden. Do something like a white elephant gift exchange or do a thoughtful gift. It's not something that has to be expensive.

HOST DURANT: And I guess if you stick with what you're saying now, this prepares you for next year.

SMITH: Yes. Yeah, have a holiday resolution to not have to have a New Year's resolution to pay down debt next year.

HOST DURANT: Love it. Alright.

HOST OROZCO: Yeah. Good ideas. So, don't be shopping so much [laughs].

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