

## RECOVERING FROM SUMMER SPENDING

Friday, August 30 at 9:19 a.m.



**ANCHOR LAURA HUTCHINSON:** Hi everyone, welcome back. While many of us tend to spend just a little extra money during the summer months, according to a recent Bankrate survey, Americans spend an average of nearly \$2,000 per year on summer vacations. So here to help your bank account recuperate just a little bit we have Galen Bargerstock here, financial advisor and founder of Government & Civil Employee Services. First, I want to thank you so much for being here.

**GALEN BARGERSTOCK, FINANCIAL ADVISOR AND FOUNDER OF GOVERNMENT & CIVIL EMPLOYEE SERVICES:** Thanks for having me.

**ANCHOR HUTCHINSON:** It's not just those summer vacations. I mean, it's the cookouts, it's the gatherings, I mean everything seems to cost so much more in the summer.

**BARGERSTOCK:** Yeah and we still have this weekend to spend more money to end the summer, so, it definitely adds up over time.

**ANCHOR HUTCHINSON:** Right. Turns out to be a big budget buster – it's not just the holidays, it's really the summer, too.

**BARGERSTOCK:** Correct.

**ANCHOR HUTCHINSON:** But there is a way that we can kind of try to get back on track before the fall or get into the fall?

**BARGERSTOCK:** Yeah, but what I see, this time of the year, the kids are back in school with their noses in the books, so it's time to get back to the check-books. You have to take a look at what you did spend this year and look at the different credit cards that you have, the interest rates, and try to spend down the cheaper ones with the lowest interest rate down first. Don't worry so much about the big huge balances, just think about getting that debt paid down and relax about it.

**ANCHOR HUTCHINSON:** Okay, I like that. So, kind

of go into it with a plan?

**BARGERSTOCK:** A plan, a positive attitude. You know, the debt is going to be there. We're going to accumulate debt for our entire lives. Just pay it down when you can and be comfortable with what you have.

**ANCHOR HUTCHINSON:** Okay, I like it. And take a spending break, call it quit for a little while?

**BARGERSTOCK:** Yeah, nobody likes to do a spending freeze.

**ANCHOR HUTCHINSON:** No.

**BARGERSTOCK:** But you have to think of your household finances like a corporation would have a hiring freeze. You're going to close your doors and then you're going to rebalance everything around and you're going to take a look at what you can cut costs on and then you can open the doors back up and spend money once you can.

**ANCHOR HUTCHINSON:** Alright, that's a good idea. A little bit of a spending freeze. And setting ourselves up for the rest of year, how do we do that?

**BARGERSTOCK:** Well once you have established the goal and you're out of the woods with the debt, you have to take a look and realize that the holidays are right around the corner. Pumpkin, everything is on the shelves already and Thanksgiving and Christmas, you're going to be spending more. So, maybe the money you were saving to spend money down, take that money and save it for the holidays coming up.

**ANCHOR HUTCHINSON:** Okay, that's a good idea. And how can we be better managed throughout the year so that this doesn't happen to us next summer? Or that we find ourselves in an even worse position, come the holidays?

**BARGERSTOCK:** You're going to have to establish that plan in your household and the basic necessities and how much you're spending. You know, as we age, we're also buying more expensive things. Your children are aging, you're aging. Taste levels get more expensive, everything like that, so you're spending

more money. So, you really have to establish a plan. History repeats itself a lot, so you have to just make sure you're aware of what's going on and try to save a little bit when you can.

**ANCHOR HUTCHINSON:** You must take a look at a lot of people's accounts and spending habits. What is the biggest budget buster that you find? Where do we really fall off the tracks?

**BARGERSTOCK:** It's the unexpected. It's the wants that you want to have that you think would make your life a little bit better, so you just put it on a charge card for a little while. Then that will sit there for a little while. You're not paying it down and then something else comes up and you kind of dig yourself into a little bit of a hole. So, it's kind of important to reel back, establish what the necessities are and go from there.

**ANCHOR HUTCHINSON:** And that's actually important advice as you go into the weekend because there are a lot of sales, as we see, and you might convince yourself that there's something that you need – even though it is a better price than full price. You might find yourself charging some items, like appliances or things like that, that will only add to your debt now.

**BARGERSTOCK:** Well those are kind of the basic necessities that you do need. So, myself for example, I bought a kitchen table yesterday and I did get 30 percent off for Labor Day.

**ANCHOR HUTCHINSON:** Oh, good!

**BARGERSTOCK:** So, you know, that's something that you do need. So, you know, take advantage of it when it's around. So, I do encourage people to shop during the sale time.

**ANCHOR HUTCHINSON:** When it's something that you actually need.

**BARGERSTOCK:** Yes – when it's something you need.

**ANCHOR HUTCHINSON:** Nice. Congrats on the table, it will be great for the holidays [laughs].

Galen Bargerstock, president of Government & Civil Employee Services, LLC (GCES), is concentrated on navigating federal and state employees through financial and retirement planning. Galen holds a Pennsylvania Life, Health and Annuity License, as well as Series 6 and 63 licenses.

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