



5 questions with Greg Ostrosky, GreenPath Financial Counselor

(From the Boulder (CO) Daily Camera)

The New Year and tax season typically can bring a bevy of opportunities to better one's portfolio and savings position. But for those with lesser means, debt or tighter financial situations, some of this advice may not be entirely applicable.

To help provide some direction and suggestions for people who carry some debt and are looking to improve their financial positions, the Camera connected with **Greg Ostrosky**, a financial counselor for **GreenPath Inc.**'s Denver operations.

"Helping our clients build an accurate monthly budget is a key part of the assessment. By discussing and understanding the client's situation and monthly budget, we are then able to discuss options or programs that may be available for each client," said Ostrosky, a financial counselor for GreenPath's Denver operations. "These options can vary and are typically centered around ways to help the client address concerns such as credit card debts, collection accounts, mortgage issues, medical bills and student loans."

The following has been edited for length and content:

1. Every situation is different, but what are some initial steps someone could make in improving their financial health, increasing savings and eliminating debt?

The first step is to create and commit to a monthly budget. An accurate budget will give a clear picture of the current financial situation, and help one understand whether they're spending more than they earn each month. If there is money left over after all the bills and expenses are paid, make a conscious decision about how to use that surplus. If there is no money left over at the end of the month, examine the budget more carefully to determine which expenses can be reduced or eliminated.

2. What are the implications of actions such as debt consolidation, contacting the credit card company's hardship department and taking offers to transfer balances to another card?

Using a loan to pay off credit cards isn't really paying off debt. It's just transferring it to a new account. Many people

who have gone this route in the past have actually found that before too long, they are paying on a consolidation loan and have charged their credit cards back up, and now have twice as much debt to deal with. The same goes for balance transfers.



If you contact a credit card company, they may offer a short-term program that lasts three to 12 months with a lower payment or interest rate. This is not a long-term fix though, as many find themselves right back where they started when the program ends.

Many credit card companies are offering fewer programs directly to consumers, instead preferring to refer clients directly to agencies such as GreenPath. This is because they have seen that our long-term, holistic program is more successful in helping people pay off their debt. With our program, interest is typically reduced for all credit cards, and the client has additional financial support and guidance.

3. What are some strategies that can be implemented during tax season?

Putting some or all of a tax refund into savings can be a great way to build an emergency fund. Having an emergency fund is important because it provides additional financial stability. In the event of an unexpected expense, having this savings to fall back on may help prevent late payments and the negative credit impact that comes with it. It could also help to avoid incurring more debt in the future.

4. How much of a greater hardship is student loan debt becoming for individuals?

Student loan debt has been an issue for several years now. At GreenPath, 29 percent of the consumers we assisted in 2014 had student loan debt. In the event of hardship, individuals with federal student loans typically fare better than those with private loans. Federal servicers

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typically have many repayment tools and options available, while private lenders don't tend to offer as much flexibility.

5. Can "spending fasts" and "spending diets" be successful avenues to reducing debt?

Reducing spending will naturally free up funds that can go towards paying down debt. Unfortunately, "diet" and "budget" have taken on many of the same negative connotations. Making sure you have a reasonable diet will

help make you physically healthy, while a reasonable budget will help make you financially healthy. The key is to have a long-term view and develop good habits. If the focus is short-term, the debt or the weight will come back.

Want to read more stories on personal finance, ways to save and more? Click on GreenPath's media room at www.greenpath.org/about/media-room.

Webinar Wednesdays in March

GreenPath announced its two Wednesday Webinars for March. These hour-long webinars, with time built in for questions and answers, are taught by GreenPath education specialists. The webinars are always free and informative without a sales pitch.

Tips to Teach Kids Financial Responsibility – Wednesday, March 4 at noon ET.

It's never too early to start teaching your kids the basics of finances. And since most school curriculums are lacking in this area, it's important to get started at home. This webinar will provide practical tips on how to incorporate valuable lessons about money into everyday life with your children.



10 Meaningful Ways to Use Your Tax Refund – Wednesday, March 18 at noon ET.

How do you plan to use your tax refund this year? Whether your refund is large or small, it is worth taking the time to make a thoughtful decision as to what to do with the money. In this webinar, we will explore 10 meaningful ways you can spend your tax refund.



To sign-up for any of these webinars, log on to www.greenpathref.com and click on the Financial Education link, then Webinars.

GreenPath Reviews on ConsumerAffairs.com

If GreenPath has helped you, consider sharing your story on *ConsumerAffairs.com*. Here's a recent submission:

From Katherine: "I am excited that I found this program to help me eliminate some debts that I need to get paid in full. This has been a great experience for me and my husband. This service is the best in the land because the help we received was super. I have tried to recommend this program to anyone who says they need help in their finances. I am sincerely grateful for this program."

Log on to www.consumeraffairs.com/debt_counsel/greenpath.html to tell us your story! So far, more than 95 clients have shared their experience!

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Visit the GreenPath Financial Wellness website to find more information on our company, learn more about our services, and get access to financial tools and education.



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