

November
December
2015

Nickels & Dimes

FINANCIAL NEWSLETTER



Nickels and Dimes Newsletter is designed to help you live well financially.

If you have any questions about anything in this newsletter, please feel free to call me at 870.779.3609 or e-mail Chadley@uaex.edu.

Sincerely,

Carla Hadley

County Extension
Agent-Staff Chair/
Family & Consumer
Sciences

Follow me on Facebook -
<https://www.facebook.com/millercountyfcs> or twitter -
<https://twitter.com/MillerCountyFCS>

CMH:jds



In this issue

- Protect Your Identity **P.1**
- Save Money During the Holidays **P.2**
- Extended Warranties **P.2**
- Warning Signs You're Spending Too Much **P.3**
- Online Shopping Traps **P.3**
- Save Money during the Holidays *Continued* **P.3**
- Start Your New Year Off Right **P.4**
- Protect Your Identity *Continued* **P.4**
- Online Shopping Traps *Continued* **P.4**

Protecting Your Identity during the Holidays

Christmas is right around the corner and this can be one of the busiest times of year as we juggle office and school, parties, gift purchasing, and family celebrations. This is also the biggest shopping season of the year, making holiday shopping hot-spots, including brick and mortar stores and online retailers, primary targets for identity thieves.

Here are six simple steps you can take to help protect yourself this season (and year round):

Be aware of your surroundings while shopping. Is anyone standing too close behind you in line? Are they taking pictures with their cell phone? These could be signs of "shoulder-surfers" who try to take a picture or write down your credit card information from behind. To limit the opportunity of shoulder-surfers, only have your card out while your transaction is taking place and use your hand to cover important information such as your credit card

number, pin number, and name.

Limit what you bring and/or carry with you. When you're shopping, it is important to have your hands free. Limit what you bring with you shopping so that you are not constantly sitting down with a purse or other items that could be left behind. It is important to carry your driver's license, but do not bring extra credit or identity cards. Your Social Security ID card should definitely be left at home in a safe place.

Protect your smart phone. Smart phones are designed to put information at our fingertips. Many people use their smartphone for banking, online shopping, and to track personal information. Be certain to have safeguards in place on your smartphone in case it is lost or stolen to prevent someone from instantly gaining access to all of your personal information. If your smart phone has an auto-lock, consider setting up a

Continued on back page

University of Arkansas, United States Department of Agriculture and County Governments Cooperating

The Arkansas Cooperative Extension Service is an equal opportunity/equal access/affirmative action institution. If you require a reasonable accommodation to participate or need materials in another format, please contact your County Extension office as soon as possible. Dial 711 for Arkansas Relay.

Save Money During the Holidays

When winter approaches, so does cold weather, calls from relatives, vacation time, and holiday shopping. As much as everyone enjoys the festivities that winter may bring, we cringe at the damage on our credit card and bank statements. Let this be the year that you put an end to bringing in the New Year with financial guilt and stress. You don't have to deprive yourself of your favorite traditions of buying Christmas gifts or visiting family out of town. However, you can make adjustments that will benefit your finances in the long run.

Lower your utility bills.

Maintaining the efficiency of your home's heating, ventilation, & air conditioning (HVAC) system can have a big effect on your utility bills. Dirt & neglect can impact the efficiency of your HVAC system and are some of the top causes of heating system failure. Schedule a checkup with a licensed HVAC contractor to make sure your system is operating at peak performance. Also, check your system's air filter monthly and change it when it's dirty or at a minimum, every 3 months. A dirty filter will slow down air flow and make the system work harder to keep you warm or cool – wasting energy. www.energystar.gov/homeimprovement

Reduce your food waste.

Feed people, not landfills. Food is the single largest type of waste going to landfills and incinerators. Americans disposed of approximately 33 million

Continued on next page



Extended Warranties

Should You Consider One?

Extended warranties are available on a multitude of items ranging from DVDs to major household appliances and automobiles. Often it can be difficult during the few seconds you have at the cash register to make an informed decision about purchasing an extended warranty for a product.

An extended warranty is in many ways like insurance; designed to fix or replace your item if it is broken or damaged within a specific timeframe. Insurance is typically purchased to limit your financial risk on large ticket items, like your house or car, in case of an unexpected costly event. The need for insurance, a service-plan, or extended warranty is much less on general household items.

On small items, it is not often cost or time effective to purchase an extended warranty. Extended warranties on DVDs, for example, are typically very inexpensive, so it may be easy to say yes to the extra \$2 or \$3 at the cash register. In theory, it sounds great that a DVD will be replaced if it gets scratched or broken. But before saying yes, think about how many DVDs you have actually scratched or broken. Can you hold onto the receipt and other paperwork needed to claim the extended warranty? Would you be willing to go through the process to receive the replacement DVD? After a little extra thought, you may realize it would be best to save the extra money.

What about bigger items? Before heading to the store to purchase larger household items, do your homework. Start by searching online for consumer reviews about the specific product you are interested in. Some websites, like www.consumerreports.org/ will even provide brand comparisons that often include reliability & repair information.

Salespeople often highlight the benefits of having an extended warranty. Stores typically have a large profit margin on the sale of extended warranties, so they are motivated to sell extended warranties. However, prior to purchasing an extended warranty for an item, be sure to ask your salesperson:

- Does the item have a

manufacturer's warranty?

- If so, how long does the warranty last and what does it cover?
- What are the most common repairs for this product?
- How much does the average repair bill cost?

The length of the manufacturer warranty may vary from 30 days to 3 years, depending on the product. The majority of manufacturer warranties will last at least 90 days; this initial time window protects you in case your product has a factory defect. Try not to let the product sit unopened after purchase, open and test the product during the manufacturer warranty period to ensure it is working properly.

If you do decide to purchase an extended warranty, here are 3 tips:

Read the fine print. Warranties often have exclusions, meaning they may only repair or replace the product under certain conditions.

Keep the paperwork. Be certain to retain all paperwork associated with the original product purchase as well as the extended warranty.

Do the follow-up, if necessary. Be willing to follow-up on the warranty if the product does break. Know who you need to call and whether you need to use specific service providers. Find out whether the store has an on-site service provider or if you will need to mail the item. And if you need to ship the item, determine who is responsible for postage.

Understanding how the extended warranty process works and knowing exactly what it covers will help you make a more informed decision about whether it is added protection that you truly need.

The holidays are fast approaching and you may already be buying gifts in preparation. Before spending too much money, take a moment to watch for these 6 warning signs that you may be spending too much this season.

You don't have a budget. How much have you saved for your holiday spending? How much can you afford to spend without going into debt? To start the shopping season right, begin with these numbers. If you haven't saved, you may be able to find the funds this year), but now's the time to begin planning for next year. Be realistic about how much you will spend and who and what you will be spending on when creating your budget. If it isn't something you can stick to, then it's time to adjust your numbers, priorities or both.

You don't have a list. A list is different from a budget. Once you know how much you have to spend, make a list of who you will buy for, and how much you would like to spend on each person. Determine this before you go shopping and stick to it! Spending just a few dollars more per person could put you in the position of running out of money, or winding up in debt.

You're putting items on credit. There are appropriate occasions to use credit cards, but it can be difficult to use them responsibly. The holiday season occurs every year – don't make going into debt an annual tradition! Buying with credit allows you to spend money you don't have, exceed your budget, and adds interest charges to those good deals you think you are getting, making them cost more! To avoid overspending, stick to your budget, save your credit cards, and use the

money you saved for your purchases. Leave the credit cards at home!

You can't resist a holiday sale. Holiday sales can sometimes offer deals that are difficult to resist on things you didn't plan to buy (BOGO deals, special discounts if you spend a certain amount, etc.), and you may find yourself spending much more than you planned. If you can't resist the lure of Black Friday or other sales, be a smart Saver and plan your shopping trip ahead of time. Decide the date, time, and destination of your shopping trip, stick to your list and your budget, and limit your purchases to those you already planned to make.

You're impulse buying. Buying items not on your list is a surefire way to blow your holiday budget. By creating and following a budget and shopping list, shopping with a clear goal in mind, and avoiding unplanned shopping detours and window shopping, you can keep your saving and spending on track. Shop deliberately, not impulsively!

You find yourself shopping online often. The internet can be a useful way to do your holiday shopping, but it is also chock full of some of the dangers listed above, as well as many others. Buying online usually requires a credit card, and website retailers know just how to market those holiday sales to encourage you to fill your cart with unplanned purchases. And remember, if you are paying shipping fees on top of item prices, those deals may not be such a good deal after all. If you do plan to do your shopping online, do just that: *plan* your purchases, stay within your budget, and follow your list.

Online Shopping Traps

When shopping online, you are likely to come across at least one scam. They come in all forms, pop-up windows, offers directly to your email inbox and in search results. To protect yourself, keep informed of shopping traps and

scams. Here are 3 to be aware of:

Phony Black Friday Ads. If you plan to shop on Black Friday or Cyber Monday, you want to see the big sales in advance. Cybercrooks know this so they

Continued from previous page

tons of food waste in 2010. When excess food, leftover food, and food scraps are disposed of in a landfill, they decompose and become a significant source of methane – a potent greenhouse gas. Much of the food that is discarded in landfills is actually safe, wholesome food that could have been used to feed people. So when you are thinking about making dinner, think about how you can reduce your food waste to save money, help communities, & protect the environment.

Make or reuse decorations

Save and re-use decorations from year-to-year or make them at a lower cost by using string, cotton balls, or popsicle sticks. String popcorn & cranberries together to make a Christmas garland. Use items from the backyard (i.e. pinecones). Use reusable plates, cups & utensils so you don't have to purchase them. Save previously used gift bags, wrapping paper, tissue paper, bows, ribbons, etc. Gift cards can be reused by turning them into gift tags.

Make a gift. Homemade gifts show thought, effort & love. Consider baked goods, fancy pillowcases, photos, artwork, or embroidered, personalized items.

Powerpay your debt. If you run up a balance, use the free online powerpay program to pay it off quickly. www.powerpay.org generates a debt repayment calendar. As soon as you pay off a debt, you apply its monthly payment to another, generally starting with the higher-interest rate first.

Start Your New Year Off Right Tips

We're near the beginning of a new year – a clean slate and the perfect time to take control of our financial futures. Here is a list of Financial To-Do's in order to reap the benefits year round.

Name and Update

Beneficiaries. If you haven't taken the time to name beneficiaries, or you already have but have added financial accounts and/or need to update that info, now is a good time to do so.

Run Your Free Credit

Reports. In about 20 minutes, you can have all 3 of your free credit reports in hand with no credit card needed. Note, this is not your score, but your reports. You can view them, check for errors, & work on resolving issues all through www.freecreditreport.com

Find Health Insurance

to Avoid Penalty. If you do not have a health insurance plan that meets the requirements of minimum essential coverage, you may have to pay a penalty. If you don't have any, dive in & find a plan suitable for you.

Consider Syncing Your Bi-Weekly Pay=

check with Mortgage. If you have a mortgage and at least one person in your household is paid bi-weekly, consider syncing your mortgage payment to your bi-weekly paycheck cycle in order to shave years and interest from your repayment.

Protect Your Identity during the Holiday Season

Continued from first page 1

unique passcode. Automatic log-in on apps and the "remember-me" feature on websites can be very handy; however, they also allow a thief instant access to your personal information.

Shop with cash or credit. Shopping with cash is a great way to limit your holiday spending and stay within your budget. However, some of us may find it more practical to shop with a credit or debit card. Use your credit card instead of your debit card. Your credit card will offer additional protections if it is lost or stolen as compared to your debit card.

Be mindful of your accounts. It is easy to overspend during the holiday season. Being mindful of your accounts and transactions will help you stay both within your budget and aware of any fraudulent activity. Double-check your transactions to make certain that they match your purchases. Often credit card thieves will only make small dollar amount purchases to make it less likely for you to notice the transactions on

Online Shopping Traps: Phony Deals & Offers

Continued from first page 3

create sites to capture traffic from searches for sales fliers. What they really want is your personal information. The goal of these crooks is to get your personal information, or have you click a link that secretly loads your computer with malware that captures and transmits your information to them.

Be vigilant; don't click on random links, and don't download attachments from people you don't know. Be sure your malware & virus protection software is up-to-date and turned on. If you're looking for ads, look for legitimate sales information at sites you know and trust.

Holiday Vacation Deals You Don't

Want. If the idea of spending holidays on a cruise or lying on a warm beach appeals to you, would you be tempted by an offer to go for free or even to get your hotel for free? "Free cruise. Free all-inclusive vacation." Alarm bells should go off anytime you see the word "free." All of those things are signs that you are probably looking at a scam. At

your bill.

Safety first when online shopping.

When shopping online, you are often entering a tremendous amount of personal information, not to mention your credit card information. Always make certain that you are using a personal/home computer for online shopping. Public computers, like those at work or the public library, may store your information that someone could access later. Be certain the website you are using is secure. Once you enter into the shopping card phase of a website, the web address should have an "s" after the http. The "s" indicates that your data will be transmitted securely. Also, be certain that you are on a legitimate retailer's site. Knock-off websites do exist and at times it may be difficult to tell the difference from the real thing.

Safeguarding your identity is important year-round. The strategies to protect your identity are easy and quick to introduce into your shopping routine.

some point you're going to be asked to pay "taxes" or a fee that supposedly is the one thing that isn't free. "Once you buy in, they'll promise you the world, and they'll ask you to wire money."

Play it safe. Use only trusted travel sites and rental agencies when booking. Be wary of super low prices. Don't fall for gimmicks that make what you know to be a pricey vacation look like something you can get for a nominal fee. When those tantalizing promises are dangled, don't walk away – run!

Promises of "Free" Stuff. Promotions to "Like" a company's Facebook page in exchange for a gift card (or texts with similar ploys) have become routine. Why? Because people fall for them. Identity thieves count on consumers entering personal info to get the freebie.

Stop and think. A company is not going to give away a gift card in exchange for a "like" on Facebook. If you see one of these come-ons, delete it or just move on.