



Consumer Issues

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NATIONAL CONSUMER PROTECTION WEEK 2002

February 3rd - 9th

“Consumer Confidential: The Privacy Story”

The theme of National Consumer Protection Week 2002 is **PRIVACY**.¹ Privacy is a topic that affects consumers in many different ways. Some consumers are affected by companies that disseminate personal information for promotional and marketing purposes while other unsuspecting consumers have their identities stolen by thieves who use the personal information to commit fraud or theft. It is difficult to completely shield yourself from identity theft; however, you can minimize your risk of being victimized if you are careful with your personal information and realize that you do have a choice how your personal information is used.



The following tips will help you to better manage personal information so you reduce the chance of becoming a victim:

- ✓ Avoid giving out personal information on the telephone, through the mail or over the Internet unless you have initiated the contact or are familiar with who you are dealing with.
- ✓ Avoid providing your social security number unless absolutely necessary. Ask whether you can use other types of identifying information.
- ✓ Avoid revealing any personal information until you know how it will be used and whether it will be shared with others.
- ✓ Avoid throwing information like credit card statements, cancelled checks and credit applications in the trash without first shredding or tearing them to protect against identity thieves who look through trash bins to acquire personal information.
- ✓ Pay attention to your billing cycles. If your bills don't arrive on time contact your creditors. Identity thieves who take over a credit card account may change the billing address so that the victim does not realize what is happening.
- ✓ Put passwords on your credit card and bank accounts. Do not use passwords that are easily available like your birth date, the last four digits of your social security number or your mother's maiden name.
- ✓ When you enter a web site on the Internet review the privacy policy to determine how personal information is controlled and whether it will be shared with third parties.
- ✓ Contact the Direct Marketing Association (PO Box 9008, Farmingdale, NY 11735) to remove your name from direct marketing mailing list.
- ✓ Contact the credit bureaus OPT OUT Request Line (1-888-5-OPTOUT) to stop pre-approved credit offers.

If you would like additional information on how to protect your personal information or would like to file a complaint against a company, please contact:

PA Office of Attorney General
 Bureau of Consumer Protection
 1-800-441-2555 <http://www.attorneygeneral.gov>

¹ The information on this page is adapted from the Federal Trade Commission's web site <http://www.ftc.gov>. The FTC can also be reached at 1-877-382-4357.

What's Inside

- ◆ National Consumer Protection Week
- ◆ Costs of Credit Reports Rise
- ◆ Social Security and Medicare Changes
- ◆ Teachable Moments
- ◆ Advance Hotel Reservations
- ◆ Pay More than the Minimum
- ◆ FTC Proposes a National "Do Not Call" Registry

Costs of Credit Reports Rise

Each year, the Federal Trade Commission, FTC, sets the maximum allowable charge that credit reporting agencies can charge consumers to get a copy of their credit report. For 2002, the maximum charge allowed will be \$9.00 (excluding state taxes). The 1996 amendments to the Fair Credit Reporting Act directs the FTC to make this yearly change. The change in price is tied to the Consumer Price Index (CPI).



It's a good idea to check your credit report yearly, for accuracy. To get a copy of your credit report, contact one of the three major credit reporting agencies.

2002 PA Costs

◆ Experian Consumer Assistance — \$9.10

P.O. Box 2104
Allen, TX 75013-2104
Telephone: 888/397-3742
<http://www.experian.com>

◆ Equifax Information Service Center—\$9.00

Attention: Consumer Department
P.O. Box 740241
Atlanta, GA 30374
Telephone: 800/685-1111
<http://www.credit.equifax.com>

◆ Trans Union — \$8.50

National Consumer Disclosure Center
PO Box 1000
Chester, PA 19022
Telephone: 800/888-4213 or 800/916-8800

**“Make good habits
and they will make you.”**

Parks Cousins

Social Security and Medicare Changes 2002 Benefits and Charges

2002 cost-of-living adjustment (COLA)	2.60%
Tax rate for employees	7.65%
Social Security portion	6.20%
Medicare portion	1.45%
Tax rate for self-employed	15.30%
Maximum taxable payroll earnings	
Social Security	\$ 84,900
Medicare	no limit
Retirement earnings-test exemption annual amounts	
Under age 65	\$ 11,280
Year individual reaches age 65	\$ 30,000
Maximum monthly Social Security benefit for worker retiring at age 65 in January 2001	\$ 1,660
Estimated monthly SS benefits	
All retired workers	\$ 874
Couple, both receiving benefits	\$ 1,454
Widow(er)	\$ 841
Standard federal monthly SSI payments	
Individual	\$ 545
Couple	\$ 817
Maximum allowable assets for SSI	
Individual	\$ 2,000
Couple	\$ 3,000
Medicare Part B monthly premium	\$ 54.00
Medicare Part B deductible per year	\$ 100
Medicare Part A deductible, hospital stay --	
first 60 days	\$ 812
Copayment for days 61-90	\$ 203/day
Copayment for lifetime reserve days	\$ 406/day
Copayment for skilled-nursing facility, days 21-100	\$ 101.50/day
Buy-in premium	
(Worked less than 30 quarters)	\$ 319/month
Buy-in premium	
(worked 30 – 39 quarters)	\$ 175/month

Source: Social Security Administration and Department of Health and Human Services

Teachable Moment: Waste Not, Want Not

“Waste not, want not.” As adults, many of us may remember this sayings from childhood. Our elders used sayings to teach principles which guided daily living. Today’s youth probably do not hear this saying as often as past generations. One reason may be that meeting basic human needs such as food, clothing and shelter has improved since the early 1900’s.

While clichés may work, another way to teach youth life skill principles is by examining everyday events for “teachable moments”. For example, the concept of “waste not, want not” can be taught using a regular event such as eating cold cereal. Most youth pour milk over the cereal before eating. If too much milk is poured and remains in the bowl, the milk is likely to be thrown away. To illustrate that this wastefulness is costly, measure the amount of milk remaining in the bowl one day. Using the cost of a gallon of milk,

locally, have the youth determine how much money is being thrown away each day. Have youth multiply that amount by:

- 1) seven to approximate the amount that can be discarded in one week, and, by
- 2) 52 weeks to approximate the waste in one year.

Using this technique, youth may see more quickly how the habit of pouring too much milk in a bowl of cereal can be costly over a year and several years if that wasteful behavior continues. Ask youth what they could do with the money saved if this wasteful behavior is corrected. How many magazines, movie tickets, or pizzas could be bought with the money saved? See the example below. Finally, for the hard to convince youth, watch for their reaction when you suggest deducting the weekly costs of that waste from their weekly allowance!

Example

Milk left in the bowl each day = 1/2 cup
Milk discarded during a seven day period (7 x .5) = 3.5 cups
Cost of a gallon of milk = \$2.59
16 cups = 1 gallon
1 cup = .16
.5 cup = .08

**3.5 cups x .16 = .56 per week; \$2.24 per month, \$26.88 per year,
over a 10 year period = \$268.80**

Advance Hotel Reservations

If you reserve hotel rooms weeks in advance of your actual arrival date, ask about their policy for charging your credit card. Policies vary among hotels. While some hotels do not actually charge your account until you arrive, some hotels may charge some costs to your card at the time you make the reservation. Hotels that charge your account immediately usually do so for one night of lodging. However, there are no industry guidelines. To avoid confusion, ask about the hotel's policy when making reservations.



Pay More than the Minimum and Skip-A-Payment Offers

After holidays, credit card bills seem to grow rapidly. Don't be tempted to take lenders up on skip-a-payment offers or to pay only the minimum amount stated on your monthly statement. Paying the minimum amount repeatedly, or skipping monthly payments costs you money. When only the minimum amount is paid, the majority of your payment is for finance or interest charges. When you use skip-a-month payment offers extended by lenders, finance charges usually continue to accrue. The more you pay each month, the faster you will get rid of the debt.

FTC Proposes a National "Do Not Call" Registry

Did you ever wish you could make one call and eliminate all telemarketing calls to your home? If a recent FTC (Federal Trade Commission) proposal is accepted, a dream would come true for many consumers. Under the proposal, it would be illegal for telemarketers to call consumers who place their phone number on the national registry. The FTC is seeking comments and opinions about the proposal until March 29, 2002. To learn more go to: <http://www.ftc.gov/opa/2002/01/donotcall.htm>.



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