



# Consumer Issues

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## The 2002 Consumer Action Handbook



The 2002 Consumer Action Handbook, published by the Federal Consumer Information Center, is 160 pages of valuable information that no consumer should be without. It provides advice and consumer tips on car repair, purchase, and leasing; shopping from home; avoiding consumer and investment fraud; home improvement and financing; choosing and using credit cards wisely; and much more.

Also included is the Consumer Assistance Directory with thousands of names, addresses, telephone numbers, Web site and e-mail addresses for national consumer organizations, better business bureaus, corporations, trade associations, state and local consumer protection offices, state agencies, military consumer offices, and Federal agencies.

Copies are available by calling 1-888-878-3256. Order from or view on the Web at [www.pueblo.gsa.gov](http://www.pueblo.gsa.gov).

## Cooperative Extension: A Leader in Financial Education

Did you know that Cooperative Extension is a leading provider of financial education? According to a study commissioned by the Fannie Mae Foundation, the Cooperative Extension Service (CES) is ranked second among six types of organizations that provide financial education programs. Nationwide, CES made up 27% of the financial literacy education programs. Other types of organizations included community-based groups (32%), workplace (20%), faith-based (9%), community college (8%), and military (4%) programs.

Source: Personal Finance and the Rush to Competence: Fannie Mae Foundation (2000).

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### Personal Phone Book

Do you find yourself looking up the phone numbers to businesses that you call regularly? If your phone does not have a speed dial feature or you've run out of places to program numbers for "speed dialing," try using one of the following low-tech methods to save time.

- Post frequently called numbers inside a cabinet door on a wall near the phone. Alphabetize the list as new numbers are added.
- Highlight the number(s) inside the phone book. Your eyes will focus on the correct numbers quicker.



## Identity Theft on the Rise



Identity theft occurs when someone steals

your personal information and uses it for financial gain or to commit a crime. Key personal information such as a social security number, date of birth, and financial account numbers are stolen and used by an imposter. According to the Consumer Sentinel Web Site (<http://www.consumer.gov/sentinel>), of the 2,704 complaints filed by Pennsylvanians in 2001, credit card fraud (1223) accounted for nearly half of all complaint types. Other types of complaints involved unauthorized phone or utility services (628), bank fraud (287), and fraudulent loans (212). Considering the heavy use of credit cards for routine financial transactions and their widespread use among adults, it is not surprising that credit card fraud is the top complaint type with identity theft. Minimize opportunities for your identity to be stolen via a credit card.

- **Use** one or two credit cards for all transactions. This makes it easier to keep track of all charges.
- **Monitor** monthly credit card statements to spot unauthorized charges.
- **Don't** give your credit card number to anyone who calls you on the phone.
- **Check** your credit history at least once each year for inaccurate information or fraudulent use of your name on credit accounts. A copy of your credit report can be obtained from a major credit reporting agency: *Experian* (888/397-3742); *Equifax* (800/685-1111); or *TransUnion* (800/888-4213).

**Who will not keep a penny,  
will not have many.**

## Non-profit, Not-for-Profit and Nonprofit Organizations

Nonprofits are organizations or institutions that are neither government nor business. Nonprofits are organized to pursue a specific mission such as education, provide for the needy, etc. Most readers seeing the descriptors non-profit, not-for-profit, and nonprofit after the name of an organization will assume that it does not make a profit from its activity or work. That is not true. Although non-profits are organized for purposes **other than** generating profit, it does not mean that they cannot generate revenue beyond expenses. Nonprofits are usually exempt from federal taxes and many are also exempt from state and local taxes. Major subcategories of nonprofit organizations include charities, foundations and social welfare organizations, and professional and trade organizations. Examples of organizations that are nonprofit are churches, public schools, public charities, public clinics and hospitals, labor unions, research institutes, and credit counseling agencies.

Source: What You Should Know About Nonprofits.  
(<http://www.independentSector.org>)

## Safe Deposit Boxes: Some Considerations



Safe deposit boxes are good places to store important documents you don't need immediate access to very frequently. Examples of documents usually stored in safe deposit boxes include originals of insurance policies, birth and death certificates, mortgages, property titles, rare stamps, and videos or pictures of your home's content for insurance purposes. Unlike your money deposited in a Federal Deposit Insurance Corporation (FDIC) bank, the content of your safe deposit boxes are not insured or they are insured at a minimal level if physical damage or theft occurs. Check with your bank representative and/or insurance agent to discuss what is covered and if you need additional insurance for the contents of your safe deposit box.

*Put not your trust in money,  
but put your money in trust.*

*Oliver Wendell Holmes*

## Financial Planning Becomes More Important

Results from a survey conducted by the Consumer Federation of America (CFA) and the Financial Planning



Association (FPA) suggests that financial planning is more important now than it was a year ago to more than one-half of Americans (53%). Young adults, age 18-24 (70%) and African-Americans (76%), were the two groups most likely to believe that financial planning had become more important. Other key findings in the survey include:

- ✓ Nearly all Americans (92%) consider financial planning to be important personally and 65% consider this planning to be “very important.”
- ✓ High percentages of those (73%) in households with moderate annual incomes (\$35,000 - \$50,000) and African-Americans (77%) believe financial planning to be very important.

The survey was conducted during March 7-10, 2002 and included a sample of 1007 adults who are representative of all American adults living in private households. CFA is a non-profit association of 300 groups seeking to advance consumer interest through advocacy and education. FPA is the membership organization for the financial planning community.

Source: Consumer Federation of America: Financial Planning Becomes More Important for Most Americans. Press Release 4/2/02.

## Keeping Tabs on Product Recalls



No matter how sophisticated quality control systems become, less than perfect products enter stores, and ultimately, the hands of consumers. How can you stay aware of product recalls that might be a danger to you or a family member? Many recalls are reported in newspapers or television news programs. If a major appliance or vehicle recall is involved, manufacturers will usually contact you directly if you completed and returned a registration card at the time of purchase. If you are not the original owner, you can also learn of product recalls by checking the Web site of selected federal agencies.

**The Consumer Product Safety Commission (CPSC)**  
(<http://www.cpsc.gov/cpscpub/prerel/prerel.html>)

Has responsibility for recalls on 15,000 products from coffee makers to fireworks.

**The National Highway Traffic Safety Administration (NHTSA)** (<http://www.nhtsa.dot.gov/>)

Cars, truck, motorcycles, busses. Also has information about child safety seat recalls.

**The Food and Drug Administration (FDA)**  
(<http://www.fda.gov/>)

Food, drugs, cosmetics

**The Food Safety and Inspection Service (FSIS)**  
(<http://www.fsis.usda.gov/>)

The Food Safety and Inspection Service of the U.S. Department of Agriculture (USDA) inspects and regulates meat and poultry products. FSIS is responsible for ensuring that these products are safe, wholesome, and accurately labeled. FSIS also inspects pasteurized egg products (eggs that have been removed from their shells for further processing) produced in federally inspected plants.



## Currency Conversion Fees and Credit Cards

Each time you use a bank credit card (VISA or MasterCard) in a foreign country, you are charged a 1% fee for converting purchases or cash advances into U. S. dollars by VISA or MasterCard. Some banks may charge an additional fee (1%-3%). Check with your bank for details. If your summer involves foreign travel, this is an additional expense you want to be aware of.

Source: Consumer Action News, March 2002.

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## Annual Credit Card Survey Highlights

Consumer Action, a nonprofit education and advocacy organization based in California, has conducted an annual survey of credit cards since the mid-1980s to identify trends and provide consumers with a comparison tool. The 2002 survey involved 26 credit cards issued by 42 companies. A few key findings from the survey follow.

The average variable annual percentage rates (APR) have fallen by almost 3.5%. However, many card issuers have a minimum APR policy or “floor” rate that prevents the APR from dropping lower.

Monthly minimum payments average about 2-3%. The previous industry standard for minimum payment was 4%.

Most issuers charged late fees for not receiving payments by due dates. Late fees ranged from \$10 to \$35 with the majority of issuers charging \$29. The 2001 average late fee was \$26 and the 2002 average was \$27.82 — a 7% increase.

Source: Consumer Action News, March 2002.

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Written by:

A handwritten signature in black ink that reads 'Cathy F. Bowen'.

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