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Special points of interest:

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- Grocery Saving Techniques
- Stress Free Ways to Teach Children about Money

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Consumer Issues

Consumer Issues is Back!!

We're back!! After a two year hiatus, *Consumer Issues* is being revived! We have a simpler look that should make reading online or in hard copy easier on the eye. Each issue will highlight information of particular interest to elders or those who help provide for their care. In addition, information to help children and youth develop into responsible consumers will also be included in each issue. The rest of the information will be applicable to nearly everyone regardless of stage in life.

Putting a Stop to Unfair and Deceptive Credit Card Practices and Overdraft Fees

Proposals are being considered to stop unfair and deceptive credit card practices and overdraft services for deposit accounts. Recently, three federal banking regulators –The Federal Reserve Board, the Office of Thrift Supervision and the National Credit Union Administration revealed a proposed rule that would reduce unfair practices of the credit card industry and overdraft fees. If approved, the rule, would apply to banks, thrifts, and credit unions. In regards to credit card accounts, the proposed rule would prohibit unfair:

- Time constraints to make payments. Payments received by 5:00 p.m. on due date would be considered on time.
- Allocation of payments among balances with different interest rates
- Application of increased annual percentage rate (APR) to outstanding balances
- Balance computation
- Fees for exceeding the credit limit solely because of a hold placed on an account
- Fees for issuance or availability of credit

The public comment deadline on the proposed rule ends on August 4.

or surface mail. In either case, refer to Docket No. R-1314 when responding about the credit card practices.

Online: <http://www.federalreserve.gov/>. Click the Consumer Information tab.

E-mail: regs.comments@federalreserve.gov. Include the docket number in the subject line.

Fax: (202) 452-3819 or (202) 452-3102

Surface mail: Jennifer J. Johnson, Secretary, Board of Governors of the Federal Reserve System, 20th Street and Constitution Avenue, NW., Washington, DC 20551.

In regards to overdraft services practices, the proposed rule states that federal credit unions and banks must provide consumers a chance to opt-out of overdrafts before assessing overdraft fees on deposit accounts.

To read the entire proposed rule, see the May 19, 2008 issue of the Federal Register/Rules and Regulations, starting on page 28904 or access the document at <http://www.federalreserve.gov/>.

The public comment deadline on the proposed rules ends on August 4. You can voice your opinion online, e-mail, facsimile,



Don't just read the list below, select one or two tips and actually put them to use.



Reduce the Cost of a College Education

Do you have a college bound student or one currently enrolled? The student may be able to save money by taking some general education courses at a nearby college or university while living at home or with a relative who lives near a college. Such classes may be available in the evening or during sum-

mer session. For example, English or math requirements may be offered in the summer and fits within a part-time job schedule. This frees up time to take additional classes during the regular academic year and at a reduced costs as room and board will be avoided. Of course you will need to consider

transportation expenses and check to make certain that the credits taken will be accepted at the primary college before deciding to enroll.

Saving on the Two G's—Gas and Groceries

Cutting costs on basic necessities is a concern for nearly everyone as the cost of gas and food continues to rise. If you feel like you have already slashed down to the bone, fear not, there

maybe one more cutting strategy to use. Keep in mind ups and down in the U.S. economy are normal and even though there seems to be no end to the increases in the cost of basic necessities,

eventually, the pendulum will swing back or at least hold steady.



Gas Saving Techniques:

- Change your habits. Don't just read the list below. Select one or two tips and actually put them to use.
- Carpool.
- Plan shopping trips so one trip replaces two or three trips.
- Check your vehicle tire pressure regularly. At least twice a month, when you fill up the tank, take the time to check the tire pressure. The recommended tire pressure for your vehicle can be found on the driver's door panel.
- Check the trunk for junk. Remove unnecessary weight that you may be hauling around for no good reason. The less weight in the vehicle the better the miles per gallon.
- Remove unused seats that may be in a van. If it's not your week to drive in the carpool or the kids are gone or away for the summer, remove the extra seats.
- Keep your vehicle maintained regularly (oil changed, air filter, etc.) as suggested by the manufacturer.
- Drive the speed limit.
- Use cruise control on long trips.
- Avoid excessive idling. Stop using drive thru windows for food. When stuck in traffic for road construction or another reason, turn off the engine. According to Edmunds.com, if you will be idling for a minute or more, shutting down the engine can save gas.

Grocery Saving Tips:

- Buy less food. Most Americans could stand to eat less and lose a few pounds.
- Decrease portion sizes at home.
- Avoid throwing away food. Each time you throw away food, imagine that the food is a \$10 bill!
- Prepare meals using whatever food you have on hand until your food supply is nearly exhausted. This is a way to reduce spending temporarily but also forces you to clean your pantry.
- Plan your meals and your shopping trips. Use a list when shopping for food.
- Substitute dry beans as the source of protein for one meal each week.
- Use coupons for items you would normally purchase. Check newspapers and online sources.
- Stock up on items on sale that you normally use.
- Shop on a full or nearly full stomach. Hungry grocery shoppers spend more.
- Get a rain check for on sale items that are sold out.
- Use the unit price to select the least expensive item packaged in multiple sizes.
- Look high and low for less expensive items. The top and bottom shelves in a grocery aisle may have less expensive items than the middle shelves.
- Take a calculator so you can quickly determine cost per item when items are listed in multiples. For example 5cans/\$6= \$1.20 per can.
- Shop when well rested and not in a hurry.
- Increase shelf life by storing food properly.
- Don't pay for convenience or things you can do on your own. For example, grate cheese, add chocolate to milk, make small bags of snacks, and add water to bouillon cubes and juice concentrates.
- Finally, as always, you must factor in your personal situation when making decisions.



Federal Agencies Responsible for Keeping Our Money Safe

Have you ever wondered about the federal agencies that have the job of keeping our money safe? Below is a primer of major agencies and the financial institutions they regulate or monitor.

The *Board of Governors* of the Federal Reserve System oversees state chartered banks and trust companies that belong to the Federal Reserve System.

- The *Federal Deposit Insurance Corporation (FDIC)* regulates state-

chartered banks that do not belong to the Federal Reserve System.

- The *Office of the Controller of the Currency* regulates banks that have the word "National" in or the letters "N.A." after their names.
- *National Credit Union Administration (NCUA)* regulates federally chartered credit unions.
- The *Office of Thrift Supervision (OTS)* oversees federal savings and loans and federal savings banks.



Property Ownership Revisited

Owning property is a rewarding benefit that most adults cherish. The type of ownership you select for your property and other assets determines what you can do with the property, if creditors can access it and how the property can be transferred upon death. Periodically check with the financial institutions and other professionals about the way your assets are held to make sure no changes are needed.

Ownership Type	Features
Individual	You own the asset completely.
Joint Tenants with Rights of Survivorship	Assets are shared equally with one or more joint owners. At your death, the assets automatically transfer to joint owners. Generally, you cannot sell property without consent of joint owners.
Tenants in Common	Each owner holds a part or share of the asset. Individual shares can be sold, given away, or left as owner wishes.
Tenants by Entirety	You must be married. Mutual consent is needed to divide or sell the property. At death, the property goes to the surviving owner.
Community Property	In states ¹ with community property laws, most property acquired after marriage is owned equally by both partners. Once property becomes community property, it remains such even if you move out of the state. (¹ AZ, CA, ID, LA, NV, NM, TX, WA, WI. Also Puerto Rico)

Stress Free Ways to Teach Children about Money

For preschoolers: Glue real coins to a piece of cardboard or cardstock. Beside each coin, write the name of the coins and the numerical representation of the coin.



After the child understands the names of the coins and the value they represent, this lesson can be extended by showing how many of one type of coin it takes to equal the same value of a different coin. For example, to show that different coins can equal ten cents, line 10 pennies, two nickels, and one dime on separate rows and label as ten cents.

Consumer Issues

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We're on the Web:

<http://consumerissues.cas.psu.edu>

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