



FINANCIAL READINESS PROGRAM



Operation Secure Future





FOREWORD

This booklet is designed to give you as much knowledge as possible with all the information necessary to take care of your financial situation today and in the future. My hope is to enlighten your mind and open your eyes with truth. Until your eyes are opened, you will not see! Go to the quotes on page 8. Until someone or something makes devastating impact / event in your life, you will not change the way you do your finances. We are all creatures of habit and comfort. As such we are also stubborn, prideful, and sometimes immature with our finances.

There are some things / principles of personal finance that if you apply them in your life will literally change who you are and what you will become. If I only knew then, when I was in my early 20's what I know now at 50! WOW! Things would be a whole lot different. "If you take control in your personal finances (starting today), you will be far far better off in the future than you are doing today." Author: Jordan Goodman. Truth is things in your life and mine will not change until you start to take control of your finances. The first law of finance is: When offered, never refuse free money!

The bottom line up front is for you is to get involved in some type of investment program now. The problem is that we all seem to not have enough money after payday to make it to the next payday. Does this sound familiar? If it does, you are in for trouble.

There is no doubt, that what happens to us with respect to our financial prowess does mold us into the individuals we are. So why do we (Americans) tend to do the things we do with our money. There may come a time in your life when you may ask the right question ~ **Why am I broke?** The answer is clear! We (generally speaking) have not been properly taught financial principles. We did not learn anything in our growing up years through the school system and also for the most part even from the ones that loved us the most our parents and close relations about finances. Unless you were one of the few who took an elective in school called business management or economics. And, of those of you who signed up for these classes, about half got something out of it and the other half, well they passed the course. But what did any of us get out of it. The point of all this garbled-gook is that once we all grew up and moved out the home on our own, we all did things (made decision) with our money that really just wasn't the best thing for us individually. There are several reasons why! #1) Because, we just do not grasp or understand principles of finance. #2) Because (and I quote my pastor) "People do the things that they want to do, because that's exactly what they want to do." And, I would like to just add a caveat to it and that is to say ~ We do not even care about what the consequences are! I want it now! Where is the paper I sign? I'll figure it out all later. And #3) Because of technology and how things today happen so fast with the internet super highway. It's just really easy too get into trouble with our finances. This has devastated our country and we are a nation in debt up to our eyeballs. At some point in our lives, we all will get into trouble with our finances. And we'll do it too ourselves, on purpose. Because of our selfishness, or pride, and sometimes immaturity. I will say that there is hope of recovery, but there is a cost! It will come at a price. One of the things that I told myself, long, long time ago, when I graduated from high school was: That's it. No more school! What a foolish thing to say. But, I meant it. I became the best rock with lips in the world. In my younger years, I was sharp as a bowling ball. I am finally coming out of my shell and realizing almost too late what to do and how to fix my own financial prowess. I finally found the answer. It is in educating yourself! To have the smarts to make an intelligent and informed decision about my own finances. I recently heard this quote on the radio. And, I found it in the Daily News Miner dtd 1 Jul 2005. "The more we learn, the more we realize how little we know." Author: R. Buckminster Fuller (1895-1983). You see, in my younger years, I was foolish. Because, I refused to educate myself about financial principles. Now at 50, it's almost too late. Don't make the same mistakes I did!



TABLE OF CONTENTS

TAB A	<u>Privacy Act Statement</u>	Page 7
TAB B	<u>Quotes from the past</u>	Page 9
TAB C	<u>FSSA</u>	Page 11
TAB D	<u>Service Member Civil Relief Act</u>	Page 13
	<u>Statutory Reduction in Interest</u>	Page 15
TAB E	<u>Food Stamp Program</u>	Page 17
TAB F	<u>GOALS</u>	Page 19
TAB G	<u>Budgeting</u>	Page 20
	<u>"Living on a Plan" – 18 April 2002</u>	Page 21
TAB H	<u>What Is Your Game Plan</u>	Page 23
TAB I	<u>Recommended Income Distribution</u>	Page 24
TAB J	<u>Sample Budget</u>	Page 25
TAB K	<u>Personal Finance</u>	Page 29
	<u>Ideas For Living Within Your Means</u>	Page 31
	<i>Jordan Goodman – "Getting Your Financial Act Together"</i>	
	<i>Jordan Goodman – "Money Answers – 10 Step Action Guide For Financial Success"</i>	
TAB L	<u>Credit Management</u>	Page 36
	<u>Clean up your credit report yourself</u>	Page 37
	<u>Credit: Buy now, pay later</u>	Page 39
TAB M	<u>Debt Management</u>	Page 44
	<u>Are you stressed and overspending? – www.bankrate.com</u>	Page 46



	<u>15 signs you need help with your debt</u> – <u>www.bankrate.com</u>	Page 49
	<u>Trapped by debt? Free yourself in 7 steps</u> – by: Terry Savage	Page 51
	<u>Getting Out of Hock</u>	Page 55
	<u>Four Steps to Reduce Your Debt</u>	Page 56
TAB N	<u>Banking and Credit Union Services</u>	Page 59
TAB O	<u>Understanding Insurance</u>	Page 61
TAB P	<u>Savings and Investing</u>	Page 64
	<u>If I Knew Then, What I Know Now!</u>	Page 67
	<u>“Where Do You Stand”</u> – <u>www.armycommunityservice.org</u>	Page 69
	<u>Suze Orman – “The Laws of Money, The Lessons of Life”</u>	Page 71
	<i>Suze Orman – “The Road to Wealth”</i>	
TAB Q	<u>Consumer Skills and Scams</u>	Page 73
	<u>Consumer Rights</u>	
	<u>Debit Scam</u>	
	<u>Websites Specifically for Consumer Right</u>	
TAB R	Identity Theft	Page 80
	<u>Take Precautions to prevent Identity Theft</u>	
TAB S	<u>Savings Deposit Program</u>	Page 81
TAB T	Thrift Savings Plan.....Go to <u>www.tsp.gov</u>	
TAB U	<u>Deployment / 125th Finance Issues</u>	Page 83
TAB V	<u>Social Security</u>	Page 87
	<i>Ceridian March 2005</i>	
TAB W	<u>Taxes</u>	Page 91



Earned Income Tax Credit

TAB X	<u>Car Buying</u>	Page 93
TAB Y	<u>Websites</u>	Page 94
TAB Z	<u>Pre-test</u>	Page 103
TAB AA	<u>Financial Readiness Review</u>	Page 105
TAB BB	<u>Critique Sheets</u>	Page 110
	<u>GLOSSARY</u>	Page 112





PRIVACY ACT STATEMENT

AUTHORITY: 5 USC Section 301, Departmental Regulations; 10 USC Section 3013, Secretary of the Army; Army Regulation 608-1, Army Community Service Center.

PRINCIPAL PURPOSE: To provide appropriate background information needed for Army Community Service personnel to help individuals seeking assistance.

ROUTINE USES: None.

DISCLOSURE: Voluntary. However, failure to provide the requested information may impede Army Community Service personnel from being able to assist individuals effectively.

Client Last Name	First Name	MI	SSN	DOB
Spouse Last Name				
Children Last Name				
Type of case	Status of Client	Marital Status		
Individual	Active	Married		
Couple	Family Member	Single		
Family	Reserve	Divorced		
	Civilian	Separated		
	Retired	Widow/er		
		Single parent w/custody		
		Dual Military		
Phone Numbers	Grade / Rank	Unit		
	Education Level	Date Married / Times Married		
Client's Local Address		City, State	Zip Code	
Email address:				
SIGNATURE			DATE	



THE PRIVACY ACT OF 1974

5 U.S.C. § 552a

As Amended

(b) Conditions of disclosure

No agency shall disclose any record which is contained in a system of records by any means of communication to any person, or to another agency, except pursuant to a written request by, or with the prior written consent of, the individual to whom the record pertains, unless disclosure of the record would be—

- (1) to those officers and employees of the agency which maintains the record who have a need for the record in the performance of their duties;
- (2) required under section 552 of this title;
- (3) for a routine use as defined in subsection (a)(7) of this section and described under subsection (e)(4)(D) of this section;
- (4) to the Bureau of the Census for purposes of planning or carrying out a census or survey or related activity pursuant to the provisions of Title 13;
- (5) to a recipient who has provided the agency with advance adequate written assurance that the record will be used solely as a statistical research or reporting record, and the record is to be transferred in a form that is not individually identifiable;
- (6) to the National Archives and Records Administration as a record which has sufficient historical or other value to warrant its continued preservation by the United States Government, or for evaluation by the Archivist of the United States or the designee of the Archivist to determine whether the record has such value;
- (7) to another agency or to an instrumentality of any governmental jurisdiction within or under the control of the United States for a civil or criminal law enforcement activity if the activity is authorized by law, and if the head of the agency or instrumentality has made a written request to the agency which maintains the record specifying the particular portion desired and the law enforcement activity for which the record is sought;
- (8) to a person pursuant to a showing of compelling circumstances affecting the health or safety of an individual if upon such disclosure notification is transmitted to the last known address of such individual;
- (9) to either House of Congress, or, to the extent of matter within its jurisdiction, any committee or subcommittee thereof, any joint committee of Congress or subcommittee of any such joint committee;
- (10) to the Comptroller General, or any of his authorized representatives, in the course of the performance of the duties of the General Accounting Office;
- (11) pursuant to the order of a court of competent jurisdiction; or
- (12) to a consumer reporting agency in accordance with section 3711(e) of Title 31.



Quotes from the past

" Ah Yes, Truth! Funny how everyone is always asking for it. But, when they get it, they don't believe it. Because, it is not the truth that they want to hear." Author: Helena Cassadine

"Those who fail to plan, plan to fail!" Author: unknown

No one will ever care about your personal financial situation as much as you do. And, it's very important that you figure out the right way to get your financial act together, Author: Jordan Goodman. Video presentation ~ "Getting Your Financial Act Together"

"We are not made rich by what is in our pockets, but by what is in our hearts!" Author: unknown

"There was a time when a fool and his money were soon parted. But now it happens to everybody!" Author: Adlai Stevenson, Presidential hopeful 1966, How much more TRUE is this statement now in 2005. Realizing that they didn't even have computers back in 1966!!!!!!!!!!!!

"The more we learn, the more we realize how little we know."
Author: R. Buckminster Fuller (1895-1983). See Daily News Miner dtd 1 July 2005.

"If you take control in your personal finances (starting today), you will be far far better off in the future than you are doing today."
Author: Jordan Goodman. Video presentation ~ "Getting Your Financial Act Together"

"One loyal friend is worth ten thousand relatives." - Euripedes, 408 B.C.

"Far and away the best prize that life offers is the chance to work hard at work worth doing." Author: Teddy Roosevelt



FINANCIAL PLANNING IS SERIOUS BUSINESS





FAMILY SUBSISTENCE SUPPLEMENTAL ALLOWANCE

1. The National Defense Authorization Act for Fiscal Year 2001 added an entitlement to Title 37, United States Code, Section 402, Basic Allowance for Subsistence (BAS). The new entitlement is called Family Subsistence Supplemental Allowance (FSSA) and is designed to remove the soldier's household from eligibility for benefits under the food stamp program. FSSA is a non-taxable supplemental subsistence allowance and the program is effective 1 May 2001. Entitlement authority expires 30 September 2006.
2. If a soldier's gross income, together with the gross income of their entire household, is within 130 percent of the poverty line as defined by the U.S. Department of Agriculture (USDA) of a household of a given size, that soldier is entitled to FSSA. Active duty and Reserve Component soldiers may participate in the FSSA program provided they meet eligibility criteria established by OSD. Soldiers stationed outside the United States are eligible to participate in the FSSA program even though food stamps are unavailable overseas. The FSSA program is voluntary and soldiers must apply and be certified to receive FSSA.
3. FSSA is a monthly entitlement based on a 30-day month such as Basic Pay, BAS, and BAH. If a soldier is entitled to less than a full month of FSSA, the payment will be prorated for the number of days eligible during the first and/or last month of entitlement. When a soldier is in a non-pay status for any reason, the soldier is not eligible for FSSA during that non-pay status.
4. The FSSA program increases a soldier's BAS by an amount intended to remove the soldier's household from eligibility for benefits under the USDA food stamp program. FSSA will be paid in an amount equal to the total dollars required to bring that soldier's household income to 130 percent of the federal poverty line, not to exceed (NTE) \$500 per month. The allowance is based on the gross income tables published by the USDA for the location stationed. There are three income tables: CONUS (48 states), Alaska, and Hawaii. If stationed at any location other than Alaska or Hawaii, the CONUS table will apply to entitlement determinations. The amount of FSSA is determined by subtracting the household income from the food stamp program's gross income limit for a particular household size. The soldier is paid the difference, NTE \$500 per month. The difference must be greater than zero to be entitled to FSSA. If an eligible soldier for FSSA is receiving food stamps, the amount of the entitlement will be equal to the calculated FSSA, or the monthly food stamp allotment received by the soldier, whichever is higher, NTE \$500 per month. If a soldier is not receiving food stamps, or does not qualify for food stamps, it is possible the soldier may still qualify for FSSA. Conversely, it is possible that a soldier receiving food stamps may not qualify for FSSA.
5. FSSA income may jeopardize a household's participation in certain programs where eligibility is based on income, such as: subsidized school lunch programs, the Women, Infant, and Children (WIC) Program, day care programs, and earned income tax credit (EITC.) If the soldier participates in the food stamp program, FSSA income must be reported to the food stamp office. Receipt of FSSA may either render a soldier's household ineligible for food stamps, or reduce the amount of the food stamp benefit.





SERVICEMEMBERS CIVIL RELIEF ACT

Public Law 108-189

50 U.S.C. App. §§501–596

§ 502. Purpose [Sec. 2]

The purposes of this Act [sections 501 to 596 of this Appendix] are--

(1) to provide for, strengthen, and expedite the national defense through protection extended by this Act [said sections] to service members of the United States to enable such persons to devote their entire energy to the defense needs of the Nation; and

(2) to provide for the temporary suspension of judicial and administrative proceedings and transactions that may adversely affect the civil rights of service members during their military service.

§ 527. Maximum rate of interest on debts incurred before military service

[Sec. 207]

(a) Interest rate limitation

(1) Limitation to 6 percent

An obligation or liability bearing interest at a rate in excess of 6 percent per year that is incurred by a service member, or the service member and the service member's spouse jointly, before the service member enters military service shall not bear interest at a rate in excess of 6 percent per year during the period of military service.

(2) Forgiveness of interest in excess of 6 percent

Interest at a rate in excess of 6 percent per year that would otherwise be incurred but for the prohibition in paragraph (1) is forgiven.

(3) Prevention of acceleration of principal



The amount of any periodic payment due from a service member under the terms of the instrument that created an obligation or liability covered by this section shall be reduced by the amount of the interest forgiven under paragraph (2) that is allocable to the period for which such payment is made.

(b) Implementation of limitation

(1) Written notice to creditor

In order for an obligation or liability of a service member to be subject to the interest rate limitation in subsection (a), the service member shall provide to the creditor written notice and a copy of the military orders calling the service member to military service and any orders further extending military service, not later than 180 days after the date of the service member's termination or release from military service.

(2) Limitation effective as of date of order to active duty

Upon receipt of written notice and a copy of orders calling a service member to military service, the creditor shall treat the debt in accordance with subsection (a), effective as of the date on which the service member is called to military service.

(c) Creditor protection

A court may grant a creditor relief from the limitations of this section if, in the opinion of the court, the ability of the service member to pay interest upon the obligation or liability at a rate in excess of 6 percent per year is not materially affected by reason of the service member's military service.

(d) Interest

As used in this section, the term "interest" includes service charges, renewal charges, fees, or any other charges (except bona fide insurance) with respect to an obligation or liability.



FROM:



Date:

Account number: _____

SUBJECT: Statutory Reduction in Interest Rate and Request for Change in Monthly Payments - Account

TO:

To Whom It May Concern:

I opened an account with your company prior to my enlistment into the US military. At that time, the balance of my account was approximately \$_____ at _____% annual interest. At that time, I was employed and earning approximately \$_____ per month.

I recently enlisted in the military and I now earn approximately \$_____ per month. I currently must meet numerous living expenses in addition to this loan payment. As a result, my ability to repay your loan at the current annual interest rate has been materially affected by military service. Therefore, I hereby request under the Soldiers' and Sailors' Civil Relief Act Amendments of 1942 (50 USC 526) that the interest rate on your loan be reduced to 6% per annum (simple).

I am currently paying \$_____ per month on your loan. If possible, please send a current statement showing the reduction in interest rate to 6% per annum. I propose to make monthly payments in accordance with the new structure.

I have been advised that making this request cannot be used to affect my credit ratings or for repossessing collateral by any means other than court procedure. Please acknowledge whether your bank can assist me with this request and whether the payment schedule adjustment I have proposed is acceptable to you.

Thank you for your consideration. I look forward to your prompt response.

Sincerely,





Food Stamp Program information for service members facing deployment:

- 1) We suggest that the Food Stamp case be set up in the name of the non-service member for ease of use during deployments.

- 2) At application or recertification, the household listed must include all people currently living in the home, and must include any individuals who have joined the household to help while the service member is deployed. All clients MUST advise their caseworker if a household member is currently deployed at the time of application or recertification.

- 3) We suggest that the deployed service member set up an allotment to a non-joint account for the pocket money they will need while deployed. The monies that are directly deposited into the joint account or otherwise provided to the remaining household members should be only the money intended for their support. Why - because the Food Stamp program will count this money as unearned income to the rest of the household and does not want the money the service member will need to use while overseas to be countable income for the other family members.

- 4) Once a Food Stamp case is open or recertified, the only change the household is REQUIRED to report is if they go over the gross income limit for their family size. This limit will be noted in the letters sent upon opening or recertification.

However, it may be to the family's advantage to report when someone is deployed to a hostile fire zone. Why? Recent changes allow the Food Stamp program to compare the net income made available to the rest of the household to the income that was available prior to deployment and count the lower amount. This is intended to lessen the impact of the income increases caused by deployment to a hostile fire zone and maximize the Food Stamp allotment for the remaining household members. This option ends when the service member is no longer deployed in a hostile fire zone.

NOTE: the Food Stamp program is required to act on any changes reported, and this would also cause the service member's needs to be removed from the budget at that time. Effectively - the program will count one less person in the household, but will switch to counting only the money made available to the rest of the household.

If clients in the Fairbanks area have questions, they may contact Yvonne Kile at 451-3113 or Sue Skinner at 451-2987. The Division of Public Assistance general office number for Fairbanks is 451-2850.





Components of a GREAT Goal

- **S – SPECIFIC**
- **M – MEASURABLE**
- **A – ATTAINABLE**
- **R – REALISTIC**
- **T – TIME SENSITIVE**



Components of a Budget

- ❖ **M – Monitor Income and Expenses**
 - ❖ **A – Allocation Sheet**
 - ❖ **S – Spending Plan**
 - ❖ **S – Savings and Investment Plan**
 - ❖ **I – Incorporate Your Goals**
 - ❖ **V – Verify Funds and Expenditures**
 - ❖ **E – Effectively and Efficiently**
- Maintain Your Account**

**Reallocate and Redistribute as necessary.
Monthly preparation for income taxes.**



Living On A Plan

Hot Topics - 18 April 2002

Soldiers don't need to be crawling out from under a heap of bills to have a reason to start budgeting their money. While sticking to a modest spending plan can seem constricting, it helps soldiers ensure that money is always available to meet their needs. It can even give soldiers a sense of empowerment, as it helps them keep their eyes on the goal of being financially secure rather than reminding them of what they can't spend today.

Monthly budgets should rely on several factors: how much money is earned, how much is needed to pay bills and satisfy needs, and how much should be saved. To create a budget that complements income, lifestyle and future goals, soldiers should gather copies of bills and pay statements. Write down the amount of monthly take-home pay at the top of a blank page and make separate columns for fixed monthly expenses, periodic fixed expenses and variable living expenses.

Fixed expenses account for such non-negotiable payments as rent or mortgage, car payments and loans.

This category might also include child support, education and childcare. No matter how much one can afford to set aside, saving should be a priority like regular fixed expenses.

Periodic fixed expenses are necessary payments that typically occur every three or six months. They might include car, life and homeowners' insurance.

Variable monthly living expenses are also important but often leave room for adjustments. They include groceries, utility fees, dining out, clothing, gas, transportation fares, parking fees, recreation and personal care.

Unexpected expenses include medical care, veterinary care, car maintenance, home repair, holidays and gifts. Both periodic and unexpected expenses can get messy if consumers don't prepare early by reserving a certain amount of money each month to cover them as they arise. Money should also be stashed away for emergencies.

To finish planning a budget, soldiers should add their monthly expenses to a monthly share of all the other categories. This shows how much money is needed to meet monthly expenses. If the amount is higher than monthly take-home pay, soldiers will need to adjust expenses, which is usually easiest to do in the living-expense column. For example, be thrifty by cooking meals at home or packing a lunch instead of eating in restaurants. Costs also can be cut by spending less money on habits and recreation, by using coupons and by comparison-shopping.





WHAT IS YOUR GAME PLAN





HERE'S THE PLAN

RECOMMENDED INCOME DISTRIBUTION

- ✓ 10% Savings and Investing (Pay Yourself First)
 - ✓ 70% Family / Personal Expenses / Your Lifestyle
 - ✓ 20% Indebtedness
-
- ✓ Live Within Your Income
 - ✓ Reduce Financial Stress and Arguments
 - ✓ Realize Personal GOALS
 - ✓ Maintain a good credit report
-
- ✓ If you do not pay your bills on time ~ you will not have a good credit report!
-
- ✓ A general guide
 - ✓ Unique to you
 - ✓ Practical and realistic
 - ✓ Flexible



SAMPLE BUDGET

Income	Amount
Base pay	\$ -
BAS	\$ -
BAH	\$ -
COLA	\$ -
Clothing Allowance	\$ -
Family Sep Allow.	\$ -
Foreign Duty Pay	\$ -
Mil Retired Pay	\$ -
Other Retired Pay	\$ -
Soc Sec Benefits	\$ -
Mbr Outside Income (NET)	\$ -
Spouse Income (NET)	\$ -
Child Support (Received)	\$ -
Interest/Dividends	\$ -
Food Stamps/WIC	\$ -
SBP	\$ -
VA Income	\$ -
Rental Income	\$ -
Other	\$ -
Total	\$ -

Deductions	Amount
FITW	\$ -
Social Security	\$ -
Medicare	\$ -
State Taxes	\$ -
SGLI	\$ -
AFRH	\$ -
MGIB	\$ -
Dental Plan	\$ -
Other	\$ -
Total	\$ -

Totals	Amount
Deductions	\$ -
Debts	\$ -
Dependent Care	\$ -
Entertainment	\$ -
Food	\$ -
Home	\$ -
Miscellaneous	\$ -
Personal Needs	\$ -
Savings	\$ -
Transportation	\$ -
Goals	\$ -
Total Outgoing	\$ -

Total	Amount
Total Income	\$ -
Total Monthly Outgoing	-
Surplus/Deficit	\$ -

Budget Analysis for:	

Current as of:	
Debt Ratio:	%
Surplus Income Ratio	%
ESTIMATED TAX DED.	\$ -
Savings	Amount
Savings	\$ -
Annual Expenses	\$ -
Goal Setting(Car)	\$ -
Total	\$ -



Shelter	Amount
Rent/Mortgage	\$ -
Gas & Electric	\$ -
Telephone/Cell Phone	\$ -
Long Distance	\$ -
Cable TV	\$ -
Internet	\$ -
Maintenance	\$ -
Lawn Care	\$ -
Storage	\$ -
Housewares	\$ -
Insurance	\$ -
Total	\$ -
Food	Amount
Groceries	\$ -
Lunch	\$ -
Dinners Out	\$ -
Fast Food/Take out	\$ -
Sodas/Snacks	\$ -
Beer/Alcohol	\$ -
Meal Deduction	\$ -
Total	\$ -
Transportation	Amount
Car Pmt #1	\$ -
Car Pmt #2	\$ -
Insurance	\$ -
Car Registration	\$ -
Gas	\$ -
Oil Changes	\$ -
Repairs	\$ -
Car Wash	\$ -
Other	\$ -
Total	\$ -
Personal Needs	Amount
Toiletries	\$ -
Haircuts	\$ -
Haircolor/Perms	\$ -
Nails/Cosmetics	\$ -
Clothes	\$ -
Shoes/Socks/Misc	\$ -
Tobacco Products	\$ -
Other	\$ -
Total	\$ -
Goals	Amount
Purchases	\$ -
Vacation	\$ -
Total	\$ -

Dependent Care	Amount
Alimony/Child Support (Paid)	\$ -
Allowance	\$ -
Child Care	\$ -
Clothes	\$ -
Diapers/Formula	\$ -
Education	\$ -
Toys & Books	\$ -
School Lunches	\$ -
Pet Supplies/Food	\$ -
Vet/Grooming	\$ -
Other	\$ -
Total	\$ -
Misc Needs	Amount
Bank Charges	\$ -
Charity	\$ -
Church	\$ -
Club Dues	\$ -
Laundry expense	\$ -
Dry Cleaning	\$ -
Education/Tuition	\$ -
Doctor/Dental	\$ -
Glasses/Contacts	\$ -
Medications/Supplements	\$ -
Insurance	\$ -
Magazines/News Paper	\$ -
Books	\$ -
Birthdays/Anniversaries/Xmas	\$ -
Stationary/Stamps	\$ -
Other	\$ -
	\$ -
Total	\$ -
Entertainment	Amount
Bingo	\$ -
Crafts	\$ -
Film/Developing	\$ -
Hobbies/Collections	\$ -
Movies/Video Rentals	\$ -
DVD/Video/game purchase	\$ -
Tape/CD's	\$ -
Recreation Fee (cover charge etc	\$ -
Other	\$ -
	\$ -
Total	\$ -



ACTUAL SPENDING HABITS

	HOME	FOOD	TRANSP	PERSON	DEPENDE	MISC NEE	ENTER	GOALS	OTHER
DATE									
1									
2									
3									
4									
5									
6									
7									
8									
9									
10									
11									
12									
13									
14									
15									
16									
17									
18									
19									
20									
21									
22									
23									
24									
25									
26									
27									
28									
29									
30									
31									



Personal Finance

Do you have money to burn? You might want to consider



Watch out for the float. Don't count on 3 or 4 days before your check clears.

BALANCING YOUR CHECKBOOK ~ IT'S EASY

- ❖ E – Ending balance from statement +
- ❖ A – Add deposits not on the statement –
- ❖ S – Subtract checks not cleared =
- ❖ Y – Your balance minus service charges



CHECK #	DATE	ITEM DESCRIPTION	PAYMENT/ DEBIT (-)	T	FEE (-)	DEPOSIT/ CREDIT (+)	BALANCE	
							366	24
122	10/3	Tire World	46 54				319	70
123	10/5	Fresh Food Store	22 31				297	39
	10/15	Mid-month Deposit				312 00	609	39
124	10/17	Safety Insurance Co.	49 25				560	14
125	10/25	Walnut Furniture Co.	301 08				259	06
126	10/30	Watt Electric Co.	17 50				241	56
	10/30	ATM Withdrawal	20 00				221	56



Ideas For Living Within Your Means

Money saving tips for any budget.

No matter how much money you make or what your family situation is, you probably have issues with money. You might be trying to save a little more for the future or an important purchase. You might be trying to pare down credit card debt. Or you might be struggling to get by from paycheck to paycheck. Whatever your situation -- and whatever your income -- there are steps you can take to get your money under control. Here are some ideas to help you get on track as you work to live within your means.

- Understand your budget. Figure out what's left over from your pay after the weekly or monthly necessities (rent or mortgage, groceries, child care, clothing, interest payments).
- Think about your money goals. How would you like your money to work for you over the long term? Would you like to reduce your debt or increase your savings? What are your most important financial goals, the ones you're willing to sacrifice for in order to achieve?
- Start talking more openly about money within your family or your household. Figure out where you agree on important money goals. Work together to reduce spending or increase earnings until you're moving in the right direction.
- Pay attention to your money habits and think of ways to overcome the ones that knock your budget out of balance. Do you buy yourself treats when you're feeling bad? Do you spend money to reward yourself? Do you save money to the point of depriving yourself of basic needs and simple pleasures?
- Track your spending for two weeks. Figure out your "true" budget, including all the extras and all cash spending.
- Cut back to one credit card.
- Leave your credit card and ATM card at home.
- Let the "cheaper" person carry the money.
- Shop from a list and stick to it. Don't buy anything the first time you see it.
- Don't go food shopping when you're hungry.
- Bring lunch to work.
- Don't eat out as much. Use money-saving coupons when you do. Take advantage of "early bird specials" or eat lunch out rather than dinner.



- Avoid stores. Throw away or recycle mail-order catalogs.
- Plan purchases based on need. Stay away from television shopping channels and online auction sites if they tempt you to buy things you don't need.
- Don't pay full price. Buy used. Buy at outlet stores. Buy store brands. Buy in bulk.
- Share purchases with others. Buy a neighborhood lawnmower or barbecue grill, share a children's swing set. Use payroll deductions to build savings and retirement accounts.
- Make it hard to get to your money. Bank far away. Avoid automatic teller machines (ATMs). Require two signatures on accounts.
- Pay down credit cards as quickly as you can. Pay on time. Pay more than the minimum required. Use low-interest savings (such as bank savings accounts, government savings bonds, or the cash value of life insurance) to pay down credit card debt.
- Ask to have the interest lowered on your credit card or switch your balance to a card with a lower rate.
- Turn off the lights when you're out.
- Save on your water bill: turn off the tap while soaping.
- Turn off the air conditioner or turn down the heat when you're out. Use a thermostat with a timer to bring the temperature back to a comfortable level before you get home.
- Keep window shades down during the day in hot weather. Open the shades in cold weather to let in the sunshine.
- Shop around for the best telephone rates.
- Buy washable clothes, not those that require dry cleaning. Avoid clothes that need ironing. Hang wash to dry rather than using a dryer.
- Think of alternatives to expensive gifts. Give your time or something you make.
- Clean your own house or apartment. Use ammonia instead of brand-name cleaners.
- Trade babysitting with other parents. Join a babysitting cooperative.
- Take your children to public parks. Collaborate on activities with other families.
- Read the community calendar in the newspaper to find out about free events.



- Use your local library. Borrow books, videos, audiotapes, and CDs.
- Rent movies or borrow them from the library instead of going out to movie theaters. When you do go to the movies, bring your own snacks.
- Discontinue cable TV or cut back on optional channels.
- Use the Internet at the local library instead of paying for service at home.
- Eliminate expensive membership fees. Find out if your employer or health insurance plan offers a discount toward health club membership or contributes to the fees.
- Trade clothes with friends or relatives.
- Have potluck suppers instead of dinner parties.
- Write letters instead of calling long-distance.
- Move to a smaller home or a cheaper community. Buy a two-family house. Live near public transportation. Share housing costs by finding a roommate.
- Carpool, ride a bike, or use public transportation.
- Raise the deductibles on car and home insurance. See if you qualify for insurance discounts (for a good driving record, for example, for belonging to AAA or AARP, or for not smoking).
- Scale back vacation plans. Consider a camping trip or an off-season trip when rates are lower.
- Cut down on or eliminate your vices.
- Sell what you don't need (especially the car, if you can find a way to get by without it).





Jordan Goodman's 12 Commandments of Personal Financing

These principles can guide you to improve your personal financial situation by lowering your expenses and increasing your income.

- 1) NEVER REFUSE FREE MONEY
- 2) BUY THINGS THAT APPRECIATE, LEASE THINGS THAT DEPRECIATE
- 3) BECOME A CREDIT CARD SURFER
- 4) USE TIME WHEN IT IS ON YOUR SIDE
- 5) SET UP AUTOMATIC SAVINGS PLANS
- 6) PUT THYSELF ON A BUDGET
- 7) DON'T COUNT ON THE WHITE KNIGHT TO SAVE YOU
- 8) EARN THE HIGHEST YIELD ON YOUR CASH
- 9) BE A SMART INSURANCE SHOPPER
- 10) BUY THYSELF THE BEST MORTGAGE
- 11) FIND THYSELF GOOD FINANCIAL ADVISERS
- 12) USE THE INVESTMENT PYRAMID OF RISK



Credit Management

1990 - \$2985

2000 - \$8100



43% of all credit card holders only pay the minimum payment every month (at least some of the time). 31% of enlisted personnel have trouble paying their bills, compared to 13% for comparable civilians.

Wise and Unwise Use of Credit

The 3 C's for Credit

Character

Capacity

Collateral

Beware of the myth about minimum payment.

Construct a Power Payment Plan

Keep Creditors Informed

Debt Management Programs / Consumer Credit Counseling Service ~



Clean up your credit report yourself

December 10, 2004 - by Crown Financial Ministries

What is a credit report?

A credit report is a detailed description of how you have managed your credit in the past. Companies examine this report before deciding whether to give you credit. When a company denies your request for credit because of your credit report, it must tell you so and identify the credit bureau that supplied the report. If you have been denied credit based on your credit report, you can request a free copy of the report within 60 days of receiving the notice of the action. The credit bureaus are required by law to share with you any information they have on file about you. If you have not been denied credit but desire to have a copy of your credit report, you can request a copy for a fee. The charges vary from state to state but generally a credit reporting agency will charge a fee of \$5 to \$20 for a copy of a credit report.

You are entitled to one free report per year if you can prove that you are unemployed and plan to look for a job within 60 days, if you are on welfare, or if your report is inaccurate because of fraud. You can get a copy of your report from the following credit reporting agencies.

1. Experian--(888) 397-3742--www.experian.com
2. Trans Union--(800) 888-4213--www.transunion.com
3. Equifax--(800) 685-1111--www.equifax.com

What if there are errors?

If you have errors on your report, make a photocopy of the report, highlight the errors, and send it back to the bureau that issued the report, along with a letter of explanation. If you do not receive a response from the bureau within 30 days, the errors should be dropped from your record (Section 611d of the Fair Credit Reporting Act of 1970). If you discover duplicate information on your report, photocopy the report and highlight any duplication. Send the highlighted copy with a letter stating that you want the inquiry and the account information merged. Again you should receive a response within 30 days.

Creditor inquiries stay on your report for a minimum of six months; employer inquiries remain on your report for two years. If you have unsolicited inquiries on your report, you should photocopy and highlight the report and send it with a letter requesting that the inquiries be deleted. Remember, though, that the law states that your report can be pulled by anyone with "legitimate business needs." The bureau should report back to you within 30 days.

Delinquencies, garnishments, repossessions, court orders, eviction for nonpayment, and missed child support stay on your report for seven years. Bankruptcies remain on your report for 10 years from the date of filing. If an item remains on your report longer than this, send a highlighted copy and a letter requesting the bureau to update your report, and await your response within 30 days.

If you do not have a follow-up in writing from the credit bureau within 30 days, you should contact the bureau and request to speak with a customer-service-level manager directly. Once you have a manager, be sure you know his or her name and full title. Clearly spell out what service you need and the timeline in which you would like your concerns addressed. Follow up your conversation with a registered letter, outlining the conversation with the manager and any agreements or arrangements made with the manager.

You also have the right to add, free of charge, a 100-word statement to your credit file, explaining why your report has suffered or explaining your side of any dispute. Anyone who looks at your report will also see your explanation.

Credit repair

Negative information contained in your credit history can be removed only by the creditor who reported it. Therefore, be very wary of anyone who claims he or she can remove or clean ratings from your record. If you agree to pay off a portion of your debt in exchange for a better rating, be sure you get the arrangements made in writing from the original creditor, not from a collection agency. Send a copy of the agreement to the credit bureau.

There is a brisk business among credit repair companies that charge from \$50 to more than \$1,000 to repair your credit report. These companies seldom can do what they promise. There are no quick and easy cures for a bad credit history, so if approached by one of these companies offering to "clean up your report" remember the following.



1. Your credit history is maintained by private credit bureaus that collect information reported to them.
2. The credit bureaus can legally report negative credit information for seven years and bankruptcy information for ten years.
3. Accurate items reported during the reporting period cannot be erased by anyone other than the original creditor.
4. Time is the only thing that will heal a bad credit history.
5. The only information that can be changed are items that are actually wrong or are beyond the reporting period.
6. If there are mistakes or outdated items on your report, you can correct the report yourself. In essence, you can do anything a credit repair company can do—free.

Conclusion

"A good name is to be more desired than great wealth, favor is better than silver and gold. " (Proverbs 22: 1). It takes a long time to build up a good reputation but very little time to destroy it. If you have repaid all your past debts, you can contact each of your creditors personally and ask them to review the credit rating they gave to the credit bureau. However, there is no quick fix to bad credit. The best way to salvage your name is through disciplined use of whatever remaining credit you have over a long period of time. It may take some time to prove your discipline, but don't give up.



Credit: Buy Now, Pay Later
Hot Topics - 18 April 2002

Used wisely, credit can help consumers meet goals. It is helpful in making large purchases that would otherwise take years to save for, can help consumers benefit from sale prices when cash is low, and also allows one to pay for several purchases with a single check.

Credit has many different forms: layaway plans, charge accounts, credit cards, bank cards and loans. Young people may have difficulty obtaining credit because they have no established history that reveals how responsibly they handle money. Building good credit can be done in many ways. The intention should be to establish a pattern of borrowing and promptly paying - not to substitute credit as a second income.

To create a good credit history, soldiers can:

- Apply for a small loan at a bank and pay it back on time or early.
- Buy something through a layaway program and pay it off quickly.
- Apply for a credit card or charge account at a local store that reports credit-history information to credit bureaus. Charge several items and pay them off as soon as the bill arrives (remember that store credit cards almost always have a higher interest rate than other credit cards).
- Spouses who share joint accounts should ask creditors to report credit-history information under both names.

Since credit gives one the chance to make purchases without immediately paying, soldiers should be disciplined in not abusing its convenience.

Even as few as two or three purchases can take several months or a year to repay if the amounts are significantly higher than one's buying power.

One of the most important aspects of using credit is to shop around for the best deals, since credit agencies offer their services with varying annual percentage rates, annual fees, transaction fees and finance charges. Soldiers should know which fees will be included in monthly bills before accepting a charge card. The annual percentage rate is the cost of borrowing money at a yearly rate. Most creditors also charge annual fees just for providing the use of credit. Fees range from \$25 to \$75 depending on the credit limit and type of card. Some creditors also charge a transaction fee for cash advances, late payments and for going over the credit limit.



Finance charges vary widely. Some creditors offer a free period in which the consumer can pay the current balance in full before the due date without accruing a finance charge. Finance charges may be computed using the average daily balance, adjusted balance or previous balance. Each of these methods can create significantly varying finance charges if the balance is paid over time.



WE ALL KNOW that folks with lousy credit have a harder time obtaining loans. And that seems reasonable, right? After all, who wants to lend money to someone with a poor record of paying it back on time?

But these days, having some black marks on your credit report may mean more than paying a higher interest rate on your credit card. A growing number of companies — many of them having nothing to do with the business of offering credit — are also scrutinizing the data on those reports to decide whether to do business with you, and how much to charge.

Some nonlenders have been using credit information in this way for years: Many property insurers, for example, rely on them to help set rates for homeowners' insurance, a practice that is relatively noncontroversial. And one potentially troubling use of credit data — by employers to screen potential new hires — has been sharply constrained by legislation.

But there's one industry in which the use of credit reports has been exploding in the last few years, and it's a business in which the pertinence of credit data seems tenuous at best: auto insurance.

As many as 92% of the 100 largest personal automobile insurers use credit information to underwrite new business, according to a 2001 study by Conning & Co., an insurance-research and asset-management firm. At the time of the survey, more than half of this group had started using the data within just the past three years. And 52% of the companies used credit history not just to decide whether to insure you, but also to help determine the rates charged.

Does Bad Credit Make Bad Drivers?

Many insurance companies argue that a credit report can be a good indicator of the likelihood that a policy holder will file an auto-insurance claim. Some even say that in some cases what's on your credit report can be more important than what's on your driving record, according to the Conning study.

"We know that there is a correlation between how someone manages their credit and insurance losses," says Mike Trevino, spokesman for Allstate, the second-largest auto-insurance provider in the country. But what's not altogether clear is *why*. "We're not sure," admits Trevino. "But we know it's a fact.... And for us, that's what's most important."

There are some theories. Someone having financial problems could be under more stress, which could lead to more accidents, explains Clarence Smith of Conning's insurance-research division. Others theorize that someone who handles personal finances well is likely to be conscientious about other aspects of life, including driving and car maintenance.



But some consumer groups aren't buying it. "I don't agree with the whole system," fumes Robert Hunter, director of insurance at the Consumer Federation of America. "What's next? Color of hair? Color of eyes? Left-handedness? You can get a statistical connection on a lot of different things, but that doesn't mean you should use it."

The figure insurers use to evaluate you based on your credit history is called your "insurance score." This is similar to (although not exactly the same as) a [credit score](#). Compared to a credit score, an insurance score generally gives a greater weighting to factors such as whether you've paid your bills on time, and for how long you've done so. At the same time, less weighting is given to the amount you owe. For \$12.95 you can pull your insurance score plus a copy of your credit report at [Choicetrust.com](#), a Web site run by ChoicePoint, a firm that calculates insurance scores for many companies. Of course, many of the big insurance companies use proprietary scoring systems, but generally speaking, if you have a good score with the version made available to the public, you should be in good standing with most insurance companies, says Jeffrey Skelton, assistant vice president of personal insurance at ChoicePoint.

Of course, just how much your insurance score matters depends on where you live, since insurance is regulated at the state level. California, for example, doesn't allow credit history to be used for insurance purposes and many other states are scrambling to follow suit. Nevertheless, most still states do. Some allow it to be used for the approval process, while others allow it to determine what rate class you fall into. Some allow both.

How heavily your insurance score will be weighed also depends on the insurance company you use. At Farmers Insurance, for example, a poor credit history could cost you 35% to 40% more in premiums, depending on the state in which you live, according to Greg Ciezadlo, vice president of auto-product management. Chubb, on the other hand, doesn't use credit data at all.

And while insurance companies say that a poor insurance score alone shouldn't be enough to deny you coverage, that may not always be the case, according to Gerri Detweiler, author of "The Ultimate Credit Handbook." Detweiler recently wrote a consumer pamphlet on insurance scores for [Myvesta.org](#), an online debt-management service. During her research she came across a 1999 study of insurance agents and companies in Virginia that stated that 16% of new applicants were denied coverage because of poor credit, while 19% of policies were not renewed for the same reason. "What really troubles me is that if you have unusual circumstances or go through tough times, that could cost you in many, many ways," Detweiler says. "And that's scary for the average consumer."

Reckless Homeowners?

And what about those other ways spotty credit could hurt you? True, it's somewhat easier to see a correlation between poor credit and property-insurance claims. For example, someone under financial duress might be tempted to claim the "loss" of a valuable possession. (Doing so is also, of course, fraud.)



But if the idea of using credit reports to underwrite homeowners' policies still troubles you, you better get used to it. These are tough times for property insurers, who are being squeezed by rising claims and shrinking investment income. As a result, premiums for homeowners' insurance are expected to soar this year — perhaps by more than 10%. And the same difficult environment could also lead more insurance companies to use credit data to price policies. Farmers, for example, is planning to expand its use of a specific credit-based homeowner's insurance score, which is a slightly different score than the one it uses for auto insurance.

In a more extreme scenario, a poor credit report might cost you a job. As many as 42% of employers do credit checks on employees before hiring them, according to a 1998 survey by the Society for Human Resource Management. The credit report is often simply used to verify information on your application, such as where you have lived and whom you worked for. But in some cases, it's used to get glimpse of the way you handle your finances. "There's an assumption that people with poor credit histories are more likely to steal," says Lynn Nemser, president of Partners for Performance, a small human-resources and management consulting firm. "That's a big assumption.... I don't know if there's anything to substantiate that."

Thanks to the Fair Credit Reporting Act, employers are restricted in their uses of credit checks. For starters, they need to get your permission before they pull your report, explains Peggy Twohig, assistant director for financial practices at the Federal Trade Commission. And if they choose not to hire you based on what's contained in the report, they have to tell you. Given these restrictions, "pre-employment credit checks are not as prominent in employment searches as they used to be," says James Lee, vice president of marketing and communication at ChoicePoint, which in addition to providing insurance scores is the largest pre-employment background-screening company in the country.

Still, considering all the uses to which your credit report can be put, it's all the more important that you follow the standard-issue financial planner's advice, and review that report once a year. Fact is, as many as 79% all credit reports contain errors — 25% of which are serious enough to cause the denial of credit, according to a 2004 report by the Public Interest Research Group, or PIRG.

And that's all the more troubling in light of the increasing impact a bad credit report can have, says Ed Mierzwinski, director of PIRG's consumer program. "It's outrageous that the credit bureaus are claiming that their scores are accurate enough to take people's lives and screw with them like this."





The Basics

Are you stressed and overspending?

It's not uncommon to spend money to relieve stress from jobs, family life or other worries. But it often just leads to more stress when the bills arrive.

By Bankrate.com

You just found out you're getting a new boss and, to make matters worse, you and your spouse had a big blowup. You are stressed to the max. What are you going to do?

If you are like millions of Americans, you'll grab your plastic and head to the mall.

"People under stress revert to their oldest, most primal survival mode, and it is always dysfunctional," says psychotherapist Olivia Mellan. "If overspending is already a part of your personality, then your response to the stress will be to spend money."

Sure, spending can cheer you up -- but only temporarily, say the experts.

Attempt to block out the pain

It's one of those activities that help to blot out whatever else is on your mind. When you're thinking about what you're going to buy, you're not thinking about what's stressing you.

"There's nothing wrong with buying something to cheer yourself up as long as you can afford it -- financially, emotionally and spiritually," says psychologist April Lane Benson. "But if your purchase leads to trouble, then it's a problem."

Sometimes spending is a response to a single traumatic event, like the threat of a natural disaster. In Florida, after Hurricane Frances passed over Palm Beach County, the malls were jammed the day the stores reopened.

"After any kind of trauma you want to do something to make yourself feel better," says Robert Butterworth, a noted psychologist and media commentator.

"You see people buying things and they look happy. Spending is a primal way to make you feel better."

Plastic relief

Unfortunately, spending to relieve stress can create a vicious cycle that leads to serious financial difficulties, which brings about more stress and anxiety.

We are a nation of overspenders, says Benson, who says it's a national epidemic that starts at the top. "Look at the national deficit. After Sept. 11, President Bush told Americans not to let the terrorists interfere with our everyday life and to go shopping."

According to Benson, as many as 15 million American men and women suffer from



compulsive shopping. Feelings of loneliness, emptiness, low self-esteem, insecurity and boredom can cause people to buy compulsively.

Sometimes people turn to spending money to take their minds off what is bothering them or to cheer themselves up, says psychiatrist Dr. Gail Saltz, an associate professor of psychiatry at New York Presbyterian Hospital and an NBC-TV "Today" show contributor.

They get hooked on the high from buying that extra something. They get into difficulty if it becomes the main method for de-stressing themselves, says Dr. Saltz.

"Some people might eat because the food makes them feel good, but they might not like it later when they've put on a few more pounds."

The spender also doesn't like later -- when the bill arrives.

Avoiding the real issue

If you are secretly spending or racking up credit card balances that bring on financial hardship for your family or cause arguments between you and your spouse, you have a problem.

Instead of trying to understand what makes you sad or anxious, you tend to deny the symptoms by shopping or eating or other things, says Saltz. It's important to look at what's bothering you and try to evaluate it.

Saltz gave this example: You think you're not going to get that promotion you hoped for, so you go out and buy yourself that expensive suit to cheer yourself up.

The danger is that spending distracts you from thinking about why you didn't get that promotion or what you could do about changing your behavior in some way so that you don't miss the next promotion.

"It's not that buying yourself a new suit or new makeup to cheer yourself up is bad. But, if it's one instead of the other, that's not good," she says.

Is your shopping a problem?

If you're concerned that perhaps your spending habits have reached the problem level, ask yourself these questions.

- Do you use shopping as a quick fix for the blues?
- Do you often spend more than you can afford?
- Are some of your purchases unused, forgotten or hidden away?
- Do you feel guilty or ashamed about this behavior?
- Have your attempts to change been fruitless?
- Would your life be richer if you weren't shopping so much?



Getting help, learning new habits

If you could answer yes to any of the questions, you have a problem and need to become aware of your spending habits.

"You have to face the fact that this is serious and not just something you do once in a while. Be honest with yourself. Ask those around you to be honest as well. Ask the people who are close to you what they see. Take a good look at your credit card bills. You need to know what your behavior is costing you," says Benson, author of "[I Shop, Therefore I Am: Compulsive Buying and the Search for Self.](#)"

"We can never get enough of what we don't need. It's like looking for love in all the wrong places. You think, 'If only I had this new leather jacket' and how having it is going to make you feel better about yourself. But it doesn't because it's not about something external."

Learn other ways to nurture yourself, recommends Olivia Mellan, co-author of "[Overcoming Overspending: A Winning Plan for Spenders and Their Partners.](#)"

- Try activities such as meditation, taking a walk in nature or going on a date with your spouse. Find something that will be more fulfilling than a shopaholic binge. Reach out to family and friends for help.
- Take a buddy to the mall who knows you and knows you overspend. Tell them your spending limits and make them hold you to it, suggests Mellan.
- Get back in touch with a hobby you enjoyed in the past, says Washington, D.C., therapist Janis Evans. Meet for tea instead of going to the mall. Find new ways to relax.
- Make a list before you go to the mall. Consider window shopping -- go to the mall, but leave your credit cards at home, suggests Evans.
- Consult a therapist. There's also help from organizations such as [Debtors Anonymous](#) and 12-step programs for chronic overspenders.

"Money is a drug," says financial planner Wayne von Borstel. "It's the No. 1 drug in America. It gives you a quick high every time you spend it. If you have a good day, you go out and spend money. If you have a bad day, you go out and spend money. It makes us feel good. But no matter how much money you make -- financial success is related to whether you save or spend.

"Squirrels end up with millions because they put the nuts away, not because they make lots of nuts."



The Basics

15 signs you need help with your debt

Persistent problems paying bills or overspending mean it may be time to call for help. Here are the warning signs -- and what to do about them.

By Bankrate.com

"You know you need to seek help from a credit counselor when . . ."

It may sound like a comedy routine opener, but for lots of people it's definitely not a laughing matter.

Many who are weighed down with debt opt first for self-help, trimming back on spending and keeping a close eye on accounts. But much like losing weight, some people have the willpower to shed a few pounds on their own while others require the help of a personal trainer.

When do you need to call in a financial fitness expert? Here are 15 instances that could indicate that your balances are getting the better of you and that credit counseling might help:

- Your credit card balances are rising while your income is decreasing.
- You are only paying the minimum amounts required on your accounts, or maybe even less than the minimums.
-
- You're juggling bills. For example, you apply for another credit card and use cash advances from it to pay an existing card.
- You have more credit cards than a successful gambler has poker chips.
- You are at or perilously near the limit on each of your credit cards.
- You consistently charge more each month than you make in payments.
- You are working overtime to keep up with your credit card payments.
- You don't know how much you owe and really don't want to find out.
- You have received phone calls or letters about delinquent bill payments.
- You are using your credit card to buy necessities like food or gasoline.
- Your credit cards are no longer used for the sake of convenience, but because you don't have money.
- You are dipping into savings or your IRA to pay your monthly bills.



- You are hiding the true cost of your purchases from your spouse.
- You're playing the card game by signing up for every credit card that sends you an unsolicited offer.
- You have just lost your job, or are fearful that you are about to, and are concerned about how you will pay all your bills.

Look for a trend

There's no magic number of statements with which you must agree to determine if you have a credit problem. Even if you see yourself in several of these instances, you still might be able to deal with your credit crunch on your own.

But if you spot a trend, beware.

For example, don't panic if you occasionally shop surreptitiously, not letting the spouse in on your splurge. "Anybody might do this once or twice," says Debby Vinyard, co-owner of Vinyard Financial Planning and Associates, in Marion, Ill. "But if it's becoming routine, you probably have a problem."

Similarly, paying of minimum balances once in a while could be acceptable. But if it's more than an isolated money management misstep, you could be headed for trouble.

"If you see some of these warning signs, you need to take a serious look and find out why," Vinyard says. "Maybe it's something temporary. You're between jobs.

"But if it's becoming a bad pattern, you need to be honest. Admitting you have a problem will go at least halfway toward solving it."

Don't wait too long to get help

Alan Olinger, vice president of sales and marketing for [Money Management International](#) in Houston, says it's far easier on families to seek help sooner rather than later.

"The best time to seek credit counseling is before all the extreme warning signs crop up," Olinger says. "Generally, it's easier to work with someone heading down the path toward financial difficulties rather than someone that's already reached that destination."

Any trip to a credit counselor should be preceded by a thorough analysis of your family's personal finances: how much money you have saved, how much you owe, how much you have coming in each month, and so on. Such an analysis will help you assess how much trouble you're in and how much help you need.

"For many of our clients, we mainly help them get organized," Olinger says. "This is something they can do for themselves if they don't need our support."

For more on the ins and outs of credit counseling, read "[The consumer's guide to credit counseling.](#)"



The Basics

Trapped by debt? Free yourself in 7 steps

There's an economic recovery coming, and what an opportunity for you: Now you have time to get your financial life under control.

By [Terry Savage](#)

The recession may be over -- or it may have been so brief that it didn't officially qualify as a recession in spite of all the official pronouncements. But whatever the statistics say, many American families still find themselves in a personal financial recession.

Americans are declaring bankruptcy at record rates, with one in every 100 families affected by a bankruptcy. Though the stigma has diminished, the effects linger, touching your life in unexpected ways. For example, many prospective employers will pull a credit report as a character reference.

If you're overwhelmed with debt, the economy is giving you some breathing room now. Take advantage of the upturn to liquidate your debt. The next time around, you might not have this opportunity. There's still a push in Congress for more stringent bankruptcy legislation. And if interest rates start to rise, the burden of variable-rate credit cards and mortgages will become heavier to bear.

Americans are now carrying \$683 billion in revolving credit card debt. That's not the amount we charge every month; it's the outstanding unpaid balances on which people pay interest. And, according to a report by Cambridge Consumer Credit Index, 47% of the people who paid less than the full amount on their credit card bills in a recent month, made only the minimum payment due. In fact, only 13% of Americans with an outstanding balance could afford to pay more than half the balance.

Pay now, or pay and pay and pay later

Not paying off the debt is a strategy that will bury you in interest charges. The way some companies calculate the required minimum payments, it could take you as long as 30 years to pay off your original purchase. And along the way, you'll pay four times the original charge in finance charges.

Surely the purchase that seems so important this month isn't worth a lifetime of indebtedness. The couch that is so attractive today will likely be long gone in 30 years. Vacation memories and photos will be faded if you're just paying off that hotel bill in three decades. And a meal charged today is down the drain before the bill even arrives.

It's time to rein in that debt and do something about paying it down. Here are seven steps you can take to get your debt under control:

Step No. 1: Make a list of what you owe. This first step may be the hardest part of dealing with your debt. Put all your bills in a pile. Then list your debts in order, starting with the largest balance first. Next to the amount, list the minimum monthly payment, and the interest rate you're paying on that card. Now you know where you stand.



Step No. 2: Prioritize your repayments. If you have one or two small balances, you might want to apply extra money to pay them off, while continuing to pay the minimums on the cards with larger balances. Or you might want to pay off the card with the highest interest rate first.

When you've paid off the smaller balances, attack the larger ones. Here's a trick that can save you years of interest charges. Simply double the minimum monthly payment -- and don't charge another penny. That should get you out of debt in less than three years.

You can also use the [debt evaluation tool](#) at MSN Money. It will help you evaluate your situation and prioritize your payments.

Step No. 3: Eliminate credit cards and don't roll over balances. When you pay off a card, notify the company that you want to close the account. Don't just stick the card back in your wallet where it will tempt you again.

And don't roll balances from card to card. This is a tempting way to make yourself believe that you're doing something about your debt problem, if only by lowering the interest rate you're paying. Switching from card to card has drawbacks. Every time you get a new card, you're generating an outstanding open credit line that will appear on your credit report. Other lenders may be unwilling to let you keep rolling balances. And when those tempting introductory rates expire, you could be stuck with huge balances on high rate cards.

Step No. 4: Get a copy of your credit report and credit score -- and study both carefully. Your credit report is simply a compilation of your bill-paying history. Don't hide from the truth. There may be some errors on your credit report that you'll want to correct by contacting merchants. And if you do make progress toward paying down your balances, you'll want to make sure they're correctly reported.

You're entitled to a free copy of your credit report if you've been turned down for a loan or a credit card. And there are many Web sites that offer a report for under \$10 -- or even for free, if you sign up for a credit monitoring service that you might not need.

Your credit score is a different, more complex evaluation of your creditworthiness. Your credit score doesn't just report your payment history; it uses a formula that assigns a weigh to factors such as bill repayment habits, percent of available credit used, and even your employment history. This credit score is used in almost every mortgage decision, and may be used in one form or another when pricing life or homeowner's insurance or car loans.

The most frequently used version of the credit score is the FICO score created by Fair Isaac & Co., the company that pioneered the concept of scoring. A FICO score ranges between 300 and 850. About 39% of the population scores above 750 -- and a score below that level is a warning signal.

Some aspects of your credit report are beyond your immediate control. They're calculations based on the length of time you've had the same accounts open. But other



factors in your credit score that weigh heavily are your timely bill-paying habits and the percentage of your credit limit that you are using on each card.

You can get a copy of your Equifax credit report and your FICO score at myFICO.com or you can [click here on MSN Money](#). The cost is \$12.95 -- and it includes online access so you can track any changes in your credit report.

And by 2005 you should be able to get credit reports for free. The Fair and Accurate Credit Transactions Act, signed into law by Congress in Dec. 2003, gives every American the right to a free credit report every year from each of the three major credit bureaus: Equifax, Experian and TransUnion. But it will take a while for the government to write the exact regulations for the freebies and more months for the companies to comply.

Step No. 5: Make a spending plan. Now's the time to change your free-spending ways. To do that, track the money that's coming in and going out. Fortunately, there are easy ways to do that. One thing worth spending money on is personal finance software such as Microsoft Money and Quicken. Both programs let you track all your check writing by category and make monthly comparisons of your actual spending to the amount you've budgeted.

Use a debit card instead of your credit card. Then, when you download your bank transactions into your Quicken or Money program, all of your debit transactions will be included, and can be easily categorized. (If you're not paying bills online, you'll need to keep the receipts and enter them into your checkbook and your budget plan.) Your bank ATM card is a debit card if it carries the Visa or MasterCard logo. You won't earn points for your purchases, but you won't run up bills that have to be paid at the end of the month. You can only use the card if you have money in your account!

Step No. 6: Be careful about the equity in your home. In the past few years, Americans have withdrawn billions of dollars worth of equity in their homes. The ads and commercials are tempting, because the rates on home equity loans are typically lower than the rates charged on outstanding credit card balances. And the interest on a home equity loan may be deductible.

But there are dangers in home equity loans. Frequently, the money is used to pay down credit cards, which are then charged up again. The banking industry has a term for it: reloading.

Be very careful about digging into this last reserve. Yes, home values have been rising 5% to 6% a year in recent years, according to data from the National Association of Realtors. But there's no guarantee that home prices will continue to rise at the current pace. And if you have future problems that require cash, you'll have no place to turn. Instead, you're putting your house on the line.

Step No. 7: Get help. Sometimes credit problems are easily attacked once you've faced up to them. But for some people, the problem of overspending is a psychological one. Spending can become a habit that's as difficult to kick as alcohol, drugs or



gambling. And then there are those who are over their head in debt because of circumstances they truly could not avoid: medical bills or divorce or loss of a job.

In those cases, it's wise to seek help from professionals. The only problem is that there are so many advertisements for "credit counseling" that you can't be sure whether they're rip-offs. I'd suggest you stick with one of the national, non-profit credit counseling services such as Consumer Credit Counseling Services.

Many people are afraid that just one visit will be reported to the credit bureaus and make their problems even worse. That's not the case. You can talk with a credit counselor on a private basis. Only if you enter their debt repayment program, where they contact your creditors and arrange for lower payments or interest rates, does this relationship appear on your credit report.

Another excellent source of advice and assistance is Myvesta, formerly Debt Counselors of America, a nonprofit financial crisis center. (See link at left.) Myvesta offers individualized counseling, a debt management service, advice on avoiding bankruptcy and foreclosure, and even counseling for families buried in debt. This is another source you can trust completely. Of course, all the counseling and advice in the world is useless without your own personal determination to deal with your debt.

The bottom line

If you've taken these seven steps, you should be able to work your way out of debt and toward a brighter future. It will take time and lots of self-discipline. It's worth the effort.



Getting Out of Hock Hot Topics - 18 April 2002

Soldiers who ignore their limits and habitually abuse credit might have to devote years to digging their way out of debt. On top of financial hardships, soldiers are subject to letters of reprimand, denial of re-enlistment, administrative separation and punishment under the Uniform Code of Military Justice if debt results from uncaring, foolish spending.

But debt doesn't have to be defeating. Beating bills and paying back IOUs begins with a desire to be debt-free and the willingness to be responsible. Debt consolidation loans and consumer credit counseling agencies can help consumers manage unruly debt.

A debt-consolidation loan transfers several debts into one, allowing for a single payment rather than several separate ones. Consumers should be careful shopping for debt-consolidation loans, since interest rates are traditionally higher unless the borrower has significant collateral or can prove financial stability. Consumers should also be careful not to continue to use the paid-off credit cards - doing so would incur more debt, and the purpose of getting a consolidation loan is to get out of debt.

Credit-counseling agencies are located in every state. Most are nonprofit and can help consumers plan debt relief by working with both the client and creditors to whom the client is in debt. Counselors try to streamline consumers' monthly payments by asking credit agencies to decrease the consumer's monthly payment, reduce or stop interest, stop late fees and overdraft charges, and even to "re-age" past-due accounts to make them current. Creditors frequently honor such requests by credit counselors because they are working for the benefit of both the credit agency and the client.

The advantages of either of these programs depend on how deep a consumer's debt is and how severe the financial hardship may be. Consolidation loans do not necessarily decrease an individual's burden, since the lump payment tends to range somewhere around the original amount of previously scattered payments. On the other hand, credit counselors can help bring harassing, upsetting collection calls to a stop.

Soldiers can also contact the Consumer Affairs and Financial Assistance Offices on their installations for free advice and debt liquidation. Or they can help themselves by paying as much as possible toward large credit card balances to lower their interest fees, or switching to a credit card with a lower rate. Other options include getting rid of all but one or two credit cards, and thus eliminating some annual fees, and avoiding late-payment fees and over-the-credit-limit fees.



Four Steps to Reduce Your Debt

1. Admit that you have a problem and commit yourself to fixing it.

Only you can solve your debt problems, and it will take commitment. The first step in reducing debt is to make that commitment and decide that it's worth the effort. Some find it helpful to talk with a financial counselor or attend a meeting of others with debt problems. Finding other people who understand your problem can be a huge relief if you've been shouldering this worry yourself.

2. Stop debt spending.

Take your credit cards, store cards, and gas cards out of your wallet and put them in a drawer at home. Pay in cash, write a check, or use a debit or ATM card. If you're still tempted to use the credit cards, cut them up. Also cancel the credit reserve or overdraft features on your checking account.

3. Track your spending and make a spending plan.

Most people don't know how they spend their money, so they don't know how to control their spending. Tracking your spending will push you to pay more attention to where your money is going.



Track your cash spending. Write down every bit of cash you spend and what you spend it on for one week.



Track the checks you write and payments you make with debit or ATM cards. Every time you write a check, write down the number of the check. Every time you pay with your debit or ATM card, write the amount in your checkbook register.



Make a monthly spending record. Track your spending by week to help you get a general sense of your spending habits.



Make a plan to cut your spending. It's usually the casual spending on meals out, music, movies, and other "impulse" extras that have to be trimmed to make a manageable spending plan.

4. Pay down your debts month by month. Pay them off one by one.

Make a list of all the debt payments you make each month. Choose one of your debts to pay off first -- either the one with the highest interest or the lowest balance. Use the money you're saving by cutting spending (step 3) to pay more toward this debt each month, while keeping up the payments on your other debts. When the first debt is paid off, move on to the next one.



Debt: The Chatzky Program

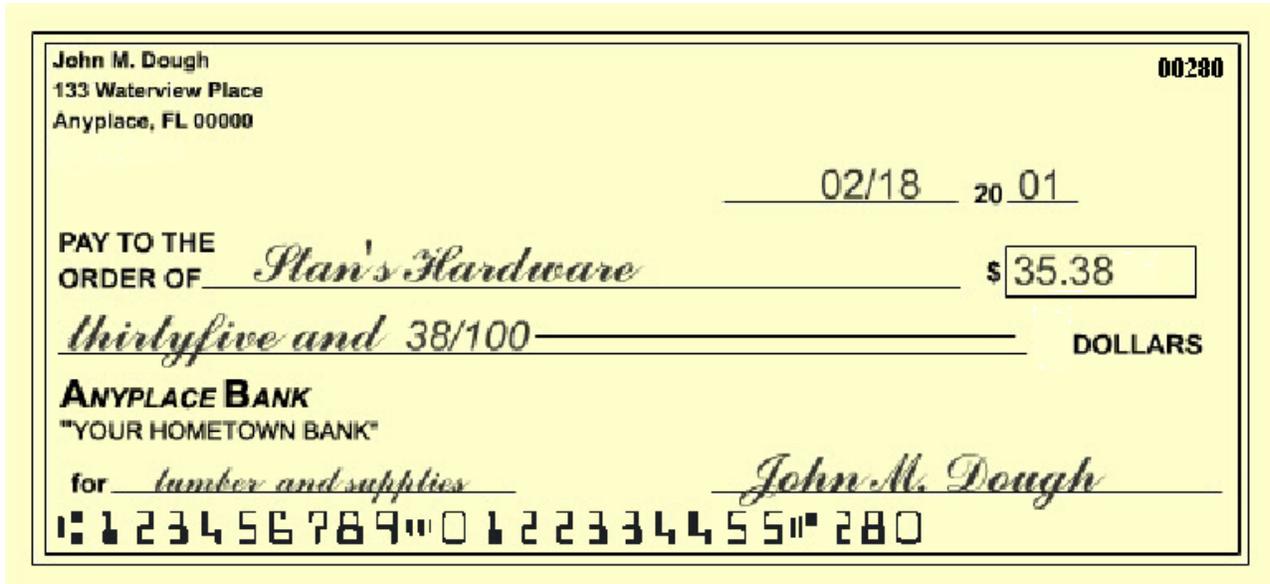
<http://money.cnn.com>

- * Step 1: Assess the problem
- * Step 2: Set achievable goals
- * Step 3: Manage credit score
- * Step 4: Track your spending
- * Step 5: Reduce your rates
- * Step 6: Sell assets, earn more.
- * Step 7: Get help if you need it.
- * Step 8: Pay it down – smartly.
- * Step 9: Get ahead, stay ahead.

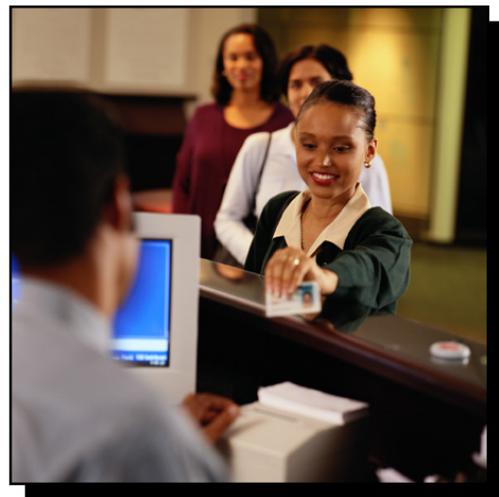




Banking and Credit Union Services



THIS IS A LEGAL CONTRACT



HAVE YOU CONSIDERED RECONCILING?



BANKING SERVICES

-  Bill Paying Services
-  Transfer of Funds
-  Insurance
-  Loans
-  Rates Paid on Deposits
-  Alternate Instruments
-  Business Services
-  Safety Deposit Boxes
-  Foreign Currency Exchange



Understanding Insurance

What can Insurance Do for You?

- ❖ **Cover vehicle and property liability**
- ❖ **Replace possessions**
- ❖ **Take care of survivors**

How Insurance Works.

- * **Age**
- * **Gender**
- * **Past history / driving violations**
- * **Type of vehicle / property**
- * **Statistical History where you are**
- * **Risk = Premium**
- * **Occupation**
- * **Health**
- * **Lifestyle**



- ◆ **Never drop an insurance until your lien holder has the new policy and it is in force.**
- ◆ **Look for an Agent that will explain all the details. You need to understand all aspects about the policy you are about to sign.**
- ◆ **Shop for the coverage you need at the best overall cost.**
- ◆ **Independent agents can sell policies from more than one company, and can help you compare pricing.**





Choosing an Agent

- **Are they licensed in the state?**
- **Will they use term insurance as a comparison?**
- **How long have they been in business?**
- **Check with BBB and the State Corporation Commission**
- **Always check more than one agent**

Summary

- ✓ **“Shopping Tips”**
- ✓ **Know what you need**
- ✓ **Compare costs and benefits**
- ✓ **Understand your policy (ask lots of questions)**
- ✓ **Don't be talked into anything - wait a few days to make a final decision**

Remember - It's Your Money!



Savings and Investing

What will it take to get ½ Million Dollars at age 25, 35, 45, 55, 65

10 years Procrastination will cost you:

\$200 @ 10% x 40 years = \$1,264,815.92

\$200 @ 10% x 30 years = \$452,097.58

\$812,718.34

\$150 @ 10% x 40 years = \$948,611.94

\$150 @ 10% x 30 years = \$339,073.19

\$609,538.75

\$100 @ 10% x 40 years = \$632,407.96

\$100 @ 10% x 30 years = \$226,048.79

\$406,359.17









IF I knew then, what I know now!

Things now, would be a whole lot different. That's a little word, IF, but wow, what power! To have the ability to know something before it happens and do nothing about it is just plain ole foolishness. But, you do have the opportunity to not make the same mistakes as I did, as well as, a lot of Americans. Now, at 50 years of age. I wish that I had taken / made the opportunity to provide for my future. Although, it is never too late, the cost of procrastination has lost me over \$700K (lots more really) for my retirement. Oh yea! I'm on track now. But, at what cost!

Sad too say, that is exactly what a lot of us do about our financial situation, our financial prowess. That is, to have the ability to save, but we just don't. We use the guise that, "Well, I just don't know what to do. I don't know where to put my money. Or for that matter, how much do I have to save or invest. Truth is, a lot of Americans are just too deep in debt to save and invest. They are what I call financially embarrassed.

We are all creatures of habit, we are all so very, very busy. We don't seem to have the time of day to anything for ourselves. Truth is, "That is just a lie we make ourselves believe to justify the fact that we don't know what to do to save for our future, to save for an emergency, to save for a vacation. Then, sadly enough, at the end of our days, we have nothing. The bottom line is that we have nobody to blame but ourselves. Truth is: We don't have the ability to make the past change. But, we do have the ability to start now, to make a change for the future.

May I just say, that it is never too late to start saving. A little bit here, a little bit there. Over time will grow to be what it will be. Which is, If, you don't start saving now, nothing. Just another day at home broke again, living paycheck to paycheck with normally not enough money at the end of the day after payday to last till the next payday. If you can relate to this type of mentally, then you're not "Paying Yourself First". And you really need to take a good long, hard look in the mirror. First off, figure out exactly where you are at, financially speaking. Do the budget thing. If you need help call 353-7438. It's what I do.

The real question is: How and Where do I begin to get my life back in order, so that we can start to save. The answer is: Anywhere. If I may coin a phrase from Nike, "JUST DO IT"! The Army and my higher in the sky



(CFSC - Community and Family Support Center) calls it "PAY YOURSELF FIRST"! They say and know that young people just don't realize the consequences of not saving.

The PRICE OF PROCRASTINATION. Waiting to start your investment plan can be very expensive. Assume that you are able to save \$200 per month and invest that \$2400 per year in an investment that is making you 10%.

Example 1

Investments beginning at age 25 and stop at age 65
Total amount invested is \$96,000
Value at age 65 is \$1,062,222

Example 2

Investments beginning at age 35 and stop at age 65
Total amount invested if \$72,000
Value at age 65 is \$394,785

Waiting until age 35 to begin investing meant that the investor in Example 2 invested \$24,000 less than the investor in example 1. However, this procrastination ended up costing the investor of example 2 \$667,437.

So, at retirement age, How much money do you want to have? \$394,437 or \$1,062,666.

Start now, save regularly and be consistent. Good Luck!

vr
Mike Spann
Financial Readiness Program Manager
353-7438



Where Do You Stand? Hot Topics - 18 April 2002

In today's age of instant gratification and multiplying millionaires, the mouth waters for fancy cars, fashionably designed homes and the latest trinkets. Peer pressure drives us crazy with desire, and credit eliminates the need to plan ahead for major purchases. But the fact is, if we can't afford it today we probably can't afford it tomorrow.

As if societal influences were not enough, the economic well-being of soldiers is further challenged by frequent change. Whether it's being assigned to high-cost areas, lengthy deployments or the need to take care of a family, soldiers shoulder a heavy responsibility. Among newly enlisted soldiers, 26 percent are married. Some of them enter military service with past debt, and others acquire it in the course of their careers.

While almost everyone faces an occasional setback or emergency, long-term financial problems often emerge from a lack of planning, said Mildred S. Quinones, manager of the Consumer Affairs and Financial Assistance Program at the Soldier and Family Support Center at Fort Belvoir, Va. She teaches her customers to be proactive, save money for the unexpected, prepare for major purchases and shop around for the best deals.

"There comes a time when a person has to ask: 'Why am I always broke?' The answer to this question usually comes from a lack of planning ahead," she said, comparing money management to marriage counseling, both of which she said need reassessments and honest effort. "We have to be smart consumers and think about what we want out of life. We can't have everything now. We have to make choices."

Despite soldiers' genuine desire to be financially stable, some soldiers are burdened beyond their means, said Isaac Templeton Jr., manager of the Army's Consumer Affairs and Financial Assistance Program.

"Commanders know how much money young families make, and they know how much rent costs in that particular area," he said. "The first duty station is usually the first time new soldiers have ever received a paycheck, and they have the financial responsibility of taking care of themselves and their families. If you look at how much young soldiers make and how much the necessities add up to, you'll see that there's not very much money left over."

With that in mind, the Army has developed a new yardstick with which to measure soldier well-being. This framework encompasses the idea that the institutional needs of the Army cannot be met without also fulfilling soldiers' personal, physical and mental needs. According to LTC Steven Shively, chief of personnel readiness for the Office of the Deputy Chief of Staff for



Personnel, the new Army Well-Being Program is the basis upon which leaders will ask Congress for higher pay and benefits. Goals include a closure of the pay gap between enlisted and officers, a dislocation allowance for soldiers reporting to their first duty stations, better housing and an increase in the basic housing allowance to eliminate out-of pocket costs.

In light of these goals and the advice available from financial counselors at worldwide installations, Templeton said, soldiers should always keep the end of their military careers in mind.

"They should start planning for their transition, from the day they enter the Army, whether they want long careers or think they'll get out sooner," he said. "They've got to ask themselves: 'What do I want to have when I leave?' For some, the answer is just getting out of debt, which puts money back into the pocket so they can save."



“The Laws of Money, The Lessons of Life”

By: Suze Orman

✳ Truth creates money, lies destroy it

✳ You have got to look at what you have, not what you had

✳ You have to do what’s right for you, before you do what’s right for your money

✳ You first must invest in the known before you invest in the unknown

✳ Money has no power of it’s own





Consumer Skills and Scams

Consumer Rights

December 10, 2004 - by Crown Financial Ministries

The Federal Trade Commission (FTC) annually receives thousands of letters and e-mails from consumers with various questions, complaints, and complaint scenarios. The FTC does not involve itself directly in individual consumer complaints.

However, they will become involved if complaints illustrate a pattern of consumer concern regarding a specific company, operation, service, or procedure and if the company or procedure violates FTC-enforced laws, procedures, and regulations.

Complaint scenarios

Below are listed the most frequently asked questions or most common consumer complaint scenarios received annually from the FTC and the FTC's response to the question or complaint.

1. An appliance, such as washing machine, dishwasher, or dryer, is purchased new but has to be repaired repeatedly by the dealer's mechanics. Each repair is covered under warranty. However, the problem still persists even after the warranty expires. Is the owner required to pay for the repairs after the warranty expires? *If the owner complained about the same problem during the warranty period and it was not fixed properly, the owner is entitled to get the appliance repaired by the dealer. Warranty rights do not expire for problems that were complained about under warranty.*
2. A used car is purchased "as is." Problems soon develop. If a car was purchased "as is," is the dealer responsible for repairs? *"As is" means that the seller makes no promises to repair anything and makes no guarantees regarding the reliability of the car. If warranty protection is desired, the seller must put the warranty protection in writing. Verbal promises are not legally binding.*
3. A credit card has been stolen and the thief runs up excessive debt. How much is the person from whom it was stolen liable for? *If a credit card is lost or stolen and the card is used before it is reported missing, the maximum liability that is owed by the one to whom the card was issued is \$50 for each credit card missing. After the card is reported missing, there is no liability owed on purchases made by an unauthorized user.*
4. An electric fund transfer (ETF) card, or ATM card, is lost or stolen. How much money can the owner stand to lose? *If the ETF or ATM card is reported missing after two business days following the loss or theft, the one to whom the card was issued could lose as much as \$500. If he or she notifies the bank within two business days, the liability is limited to \$50.*
5. Can a debt collection agency be stopped from calling a debtor at home regarding a past due bill? *If the debtor writes a letter to the collection agency and requests that they stop calling, the agency must comply. However, this does not erase the bill, and it may force the collection agency to seek legal means in order to collect the debt owed.*
6. How is a mistake on a monthly credit card statement corrected? *Write a letter notifying the company of the error and send it to the special billing error address provided by the company. Even though a phone number may be provided and could resolve the problem quickly, sending a letter is the only way to trigger consumers' rights under the Fair Credit Billing Act— a federal law that requires the card issuer to correct errors or justify charges.*
7. Can consumers buy eyeglasses from a qualified ophthalmologist or optometrist other than the one who gave the eye exam? *Patients can ask the examiner for a copy of the prescription. An FTC rule requires ophthalmologists and optometrists to give patients their eyeglass prescription at no extra charge after an examination.*
8. Can purchases made from door-to-door salespeople be cancelled? *Yes. Consumers have three days to cancel most door-to-door transactions of \$25 or more. The seller is required to give the buyer a cancellation form at the time of the sale. Sign and mail it to the address given for cancellation any time before midnight of the third business day after the day of the sale.*
9. Does the same three-day cancellation rule apply to places visited like health spas and gyms? *No, a consumer usually does not get three days to cancel a sale made at a merchant's regular place of business. However, a few state and local laws provide extra protection on some contracts, such as health spas. Check with local consumer protection agencies for state and local protection regulations.*
10. What is the most important question to ask regarding a car loan? *Ask for the Annual Percentage Rate (APR). The rates charged for loans may vary significantly. The APR is a unit price for credit that takes into account all the finance costs of a loan.*



11. If shipment for a mail order or telephone item has not been delivered by the promised delivery date, is the purchaser entitled to a refund? *Yes, the FTC Mail and Telephone Order Rule allows customers to cancel most orders and get a full and complete refund if they did not receive delivery within the time promised.*
12. How can a divorced person establish credit if all previous credit was in the name of the former spouse? *The person wanting credit should apply for credit in his or her own name and list accounts that were shared with the former spouse. If the creditor has trouble verifying the references because they are listed in the name of the former spouse, give them additional information that would confirm your participation in the payment of those bills. This information would include cancelled checks with your name that would show that you either paid the bills or that you shared the account with your former spouse.*
13. Where can I get information about consumer matters and concerns? *Public Reference, Federal Trade Commission, Washington D.C. 20580; (202) 326-2222.*

Conclusion

For information concerning other publications produced by the FTC or to request a free copy of "Best Sellers," a pamphlet that lists all the FTC's publications, contact a regional FTC office or write to the FTC Washington, D.C. office.



Debit Scams

December 20, 2004 - by Crown Financial Ministries

Fraudulent telemarketers have found yet another way to steal consumers' money—this time from their checking accounts. Account holders across the nation are complaining about unauthorized withdrawals (debits) from their checking accounts.

Even though automatic debiting of checking accounts can be a legitimate payment method, some telemarketers are abusing the system. So, if a caller asks for your checking account number, debit card number, or any other information printed on your check, you need to follow the same warning that applies to your credit card—do not give checking account or debit information over the phone, unless you initiate the call and are familiar with the company. If you give your checking account or debit card number over the phone to an unknown person for verification or computer purposes, that person could use it to take money from your checking account improperly.

How it works

This telemarketing scam generally works in the following way. You get either a postcard or a telephone call saying that you have won a free prize or that you qualify for a major credit card, regardless of past credit history or credit problems. If you respond to the offer, the telemarketer will usually ask you right away, "Do you have a checking account?" If you say "yes," the telemarketer then goes on to explain the offer and makes it sound too good to pass up.

Near the end of the solicitation, the telemarketer might ask you to get one of your checks or your debit card and read off all of the numbers to him or her. Sometimes you might not be told why this information is needed. Other times you may be told the account information will help ensure that you qualify for the offer. And, in some cases, the telemarketer might explain that this information will allow him or her to debit your checking account and ship the prize or process the fee for the credit card.

Once the telemarketer has your checking account information, it is put on a *demand draft*, which is processed much like a check. The draft has your name, account number, and states an amount. Unlike a check, however, the draft doesn't require a signature. When your bank receives the draft, it takes the amount on the draft from your checking account and pays the telemarketer's bank. You may not know that your bank has paid the draft until you receive your bank statement.

How to protect yourself

Automatic debit scams involve a fraud that is hard to detect and could expose you to large financial losses. However, the following suggestions can help you avoid becoming a victim.

- Don't give your checking account number or debit card number over the phone to anyone in response to solicitations from people you don't know. Ask them if you can record the conversation. If they say no or that it is not their policy to allow the conversation to be recorded, hang up.
- If anyone asks for a checking account number or a debit card number, ask why that information is needed. If he or she can't give you a reasonable answer, say that you will first have to clear it with the state attorney general's office before you can give out any account information. Then ask for the company name, mailing address, telephone number, and principle owners or operators. That should end the conversation. If he or she says that you have to make a decision that day, end the conversation.
- Beware of offers that sound too good to be true, especially any offers that require you to give your checking account number or debit card number over the telephone. Ask to review the company's offer in writing before you agree to a purchase.

What to do if you become victimized

If a telemarketer has issued a draft against your checking account without your knowledge or permission, or if the amount is more than you authorized, contact your bank immediately. Depending on the timing and the circumstances, you might be able to get your money back. You also may want to contact your local consumer protection agency, state attorney general's office, and the Better Business Bureau to report the telemarketer. You can also file a complaint with the Federal Trade Commission by writing (don't call or e-mail) a letter to the Correspondence Branch, Federal Trade Commission, Washington, DC 20580. Although the Federal Trade Commission generally doesn't intervene in individual disputes, the information you provide may help to indicate a pattern of possible law violation that requires action by the Commission.

Conclusion



There are hundreds of ways that unscrupulous telemarketing companies can separate you from your money. One of the most common methods is through telemarketers securing your checking account information any way they can and then submitting a demand draft to your bank. Although the scam is widespread, it can be prevented if you use wisdom and don't give your checking account information or your debit card information to anyone you do not know.

The primary source of information for this article was two brochures published and distributed by the Federal Trade Commission: "Fraud by Phone" and "Swindlers Are Calling." To obtain copies of each write to Public Reference, Federal Trade Commission, Washington, DC 20580.



Websites Specifically for Consumer Right

<http://www.consumer.gov/idtheft/>

CONSUMER PROTECTION LAWS:

<http://www.ftc.gov/bcp/online/pubs/credit/crdright.htm>

- Truth In Lending Act
 - http://www.creditreportdispute.net/truth_lending_act.php
 - <http://www.citifinancial.com/glossary/defin/TruthInLendingAct.htm>
 - http://en.wikipedia.org/wiki/Truth_in_Lending_Act
 - <http://www.repaircreditadvice.com/truthact.html>
 - <http://www.federalreserve.gov/boarddocs/testimony/2005/20050517/default.htm>
 - <http://www.smartagreements.com/bltopics/Bltopi41.html>
 - [http://www.thelawencyclopedia.com/term/truth_in_lending_act_\(tila\)](http://www.thelawencyclopedia.com/term/truth_in_lending_act_(tila))
- Electronic Fund Transfer Act
 - <http://www.fms.treas.gov/eft/>
 - <http://www.cardreport.com/laws/eft.html>
 - <http://www.akusafcu.com/downloads/eftdiscls.pdf>
 - <http://www.sheshunoff.com/store/H28.html>
- Fair Credit Billing Act
 - <http://www.repaircreditadvice.com/fairact.html>
 - <http://www.ftc.gov/bcp/online/pubs/credit/fcb.htm>
 - <http://www.ftc.gov/os/statutes/fcb/fcb.pdf>
 - <http://debt-education.org/fcba.html>
 - http://www.consumerdebtgroup.com/fair_credit_billing_act.php
- Fair Debt Collection Practice Act
 - <http://www.repaircreditadvice.com/faircollection.html>
 - <http://www.ftc.gov/bcp/online/pubs/credit/fdc.htm>
 - <http://www.fair-debt-collection.com/most-asked-questions.html>
 - http://www.christiandebtconsultants.com/fair_debt_collection_practice_act.htm
 - http://www.consumerdebtgroup.com/fair_debt_collection_practice_act.php
- Equal Credit Opportunity Act
 - <http://www.ftc.gov/bcp/online/pubs/credit/ecoa.htm>
 - http://www.usdoj.gov/crt/housing/housing_ecoa.htm
 - http://www.outtadebt.com/equal_credit.index.htm
 - <http://www.cardreport.com/laws/ecoa.html>
 - http://www.consumerdebtgroup.com/equal_credit_opportunity_act.php
- Fair Credit Reporting Act
 - <http://www.repaircreditadvice.com/fairreporting.html>



- <http://www.ftc.gov/os/statutes/fcra.htm>
 - <http://www.fair-credit-reporting.com/>
 - <http://www.carcredit.com/fcra.asp>
 - http://www.consumerdebtgroup.com/fair_credit_reporting_act.php
- Fair Credit and Charge Card Disclosure Act
- <http://www.repaircreditadvice.com/credit.html>
 - http://www.consumerdebtgroup.com/fair_credit_and_charge_card_disclosure_act.php
 - <http://www.citibank.com/us/cards/cm/rights02.htm>
 - <http://www.excellent-credit-cards.com/credit-collection-acts.html>





Take precautions to prevent identity theft

Identity theft is one of the most devastating and fastest growing felony crimes in America. Because of the lack of safeguards in the consumer credit system, it's one of the easiest crimes to commit. Here's some information about identity theft — and what you can do to prevent it.

Identity theft is stealing another person's name, address, Social Security number, or other identifying information to fraudulently obtain credit cards, loans, and open bank accounts. The most common method is the theft and misuse of existing credit cards or card numbers — almost half of total instances, according to a Sept. 2003 Federal Trade Commission survey.

What *you* can do to protect yourself from identity theft:

- Guard your Social Security number, credit cards, and wallet or purse.
- Protect your mail and credit card statements.
- Monitor your credit report at least twice a year, and bank accounts and checks monthly.
- Avoid sharing personal information on the phone and Internet.
- When ordering merchandise online, use the same credit card for all transactions and monitor statements carefully.
- Be careful when using public phones and ATMs.
- Be on the lookout for people with cell phones who stand nearby when you're using your credit card. New camera cell phones can be used to photograph your credit card.

Source: *Identity Theft: Protect Your Personal Information and Money*, a seminar offered by Ceridian.

What *employers* can do to protect their customers and employees from identity theft:

- Raise awareness about the need for vigilance regarding personal information
- Provide adequate and secure database and paper information storage, and render all sensitive information unreadable prior to disposal, electronic or in paper format.
- Curtail the sale, exchange or transfer of Social Security numbers and credit information to third parties.
- Provide prompt notification to customers and employees of any database or information breach.
- Prior to hiring, perform background checks on all employees who will have access to Social Security numbers and other sensitive data of employees and customers.

Ceridian provides many services—including background checks, payroll and benefits compliance — to help employers meet all legal requirements and reduce the risks and liabilities associated with identity theft. For more information about Ceridian's training opportunities for employees and managers, or to schedule this session, contact your Ceridian representative or visit our [online seminar catalog](#).



Savings Deposit Program

www.dtic.mil/comptroller/fmr/07a/index.html Go to Chapter 51

<http://www.dfas.mil/news/releases/2004/04-14.html> -A Savings Plan for Deployed Service Members, 18 Mar 04

www.military.com – Savings Deposit Program Assists Deployed Service Members, Navy News Service 19 Mar 04





B Detachment, 125th Finance Battalion Fact Sheet

Military Pay Entitlements and General Information: Operation Enduring Freedom/ Operation Iraqi Freedom

1. **Cost of Living Allowance (COLA).** There is no change to COLA while deployed. Soldiers lose their entitlement to COLA on behalf of dependents if their dependents leave Alaska for more than 30 days.
2. **Basic Allowance for Subsistence (BAS).** Soldiers without meal cards (Soldiers not in the barracks) will see no change. Meal deductions will stop for Soldiers on meal cards (Soldiers in the barracks) - meal deductions stop on the day of departure and resume the day of return to home station. All enlisted Soldiers will receive BAS of \$254.46 per month.
3. **Basic Allowance for Housing (BAH).** Soldiers drawing BAH prior to deployment will continue to draw the same BAH while deployed unless one of the actions below are conducted.
 - a. **Advance Return of Dependent (AROD) BAH.** An Advance Return of Dependents (AROD) is a voluntarily action conducted by the Soldier/ family member. Soldiers with dependents who conduct an AROD receive BAH at the with-dependent rate for Alaska.
 - b. **Early Return of Dependent (EROD) BAH.** An Early Return of Dependent (EROD) is a command-directed action to remove family members from the local area. Soldiers with dependents who are involved with an EROD receive BAH at the with-dependents rate based on the location that the dependents are sent to. If the Soldier must move off post (no room in the barracks) and is authorized by the Housing Office, the Soldier is also authorized BAH at the without-dependents rate for Alaska.
4. **Family Separation Allowance.** Family Separation Allowance appears on the LES as FSH. Soldiers with dependents receive Family Separation Allowance in the amount of \$250 per month. Family Separation Allowance begins the day of departure from home station and ends the day prior to return to home station.
5. **Jump Pay.** Jump Pay continues throughout the deployment for Soldiers who are currently on jump status.
6. **Hardship Duty Pay Location (HDP-L).** Hardship Duty Pay appears on the LES as SAVE PAY. Soldiers receive \$100 per month for Hardship Duty Pay. Hardship Duty Pay starts the day of arrival in the area and ends the day of departure from the area.
7. **Hostile Fire Pay/Imminent Danger Pay (HFP/IDP).** Hostile Fire Pay/ Imminent Danger Pay appear on the LES as HFP. Soldiers receive \$225 per month for Hostile Fire Pay/Imminent Danger Pay. This is a monthly entitlement; one day in the area qualifies the Soldier for the full amount of \$225 for the month.
8. **Combat Zone Tax Exclusion (CZTE).** All military pay for enlisted Soldiers and warrant officers is excluded from federal tax during service in a combat zone. For commissioned officers, the monthly exclusion is capped at the highest enlisted pay, plus hostile fire pay/ imminent danger pay- \$6,315.90 per month for 2004. Pay is excluded on a monthly basis; one day in the area excludes the Soldier's pay from federal taxes for the entire month. Federal taxes are not listed under the deductions column on the Leave and Earning Statement.



9. **Per Diem.** Soldiers receive \$3.50 per day while OCONUS and \$2.50 per day while CONUS. Per Diem begins the day of departure and ends the day of return to home station. Payment is made upon return to home station, finance briefs Soldiers on filling out a DD Form 1351-2 (Travel Voucher) and uses this form to pay the per diem in a lump sum. Soldiers do not receive per diem during rest and recreation leaves, emergency leave, and bad conduct status (such as AWOL), while an in-patient in a hospital, or a passenger on a government vessel.

10. **Special Leave Accrual (SLA).** SLA assists Soldiers unable to take leave due to operational requirements. Soldiers with approved SLA can carry forward up to 90 days of accrued leave into the next fiscal year. SLA is automatically approved for Soldiers who receive Hostile Fire Pay (HFP) / Imminent Danger Pay (IDP) for at least 120 continuous days during the fiscal year.

11. **Savings Deposit Program (SDP).** Soldiers can participate in the Savings Deposit Program once they enter the deployed area. Soldiers enroll in SDP through the deployed finance unit by allotment or through cash/check contributions. Deposited funds earn interest at 10% per year, compounded quarterly at 2.5%. Monthly deposits cannot exceed the Soldier's current pay and allowances less deductions and allotments. The maximum total amount allowed for deposit during the deployment is \$10,000. 90 days after redeployment, interest stops and Soldiers must remove their money from the program by sending a letter to: DFAS-CL, ATTN: Code FMCS, 1240 East 9th Street, Cleveland, OH 44199-2055 and include - Name, SSN, Branch of Service, delivery information (bank routing number, account number, or address for check), and date of departure from deployed area.

12. **Thrift Savings Plan (TSP).** Soldiers who contribute to the TSP (1 to 10 % of Base Pay) may contribute up to 100% of special pay, incentive pay, or bonuses. The annual limit for 2005 TSP contributions is \$41,000 for deployed Soldiers. Soldiers may start TSP contributions during the TSP open seasons: 15 April – June 30 and 15 Oct- 31 Dec. Soldiers can conduct TSP transactions over the internet on the **myPay** (see 16 below) website or through the PAC on a TSP-U-1 form available on **www.tsp.gov**. For more information visit **www.tsp.gov**.

13. **Filing taxes.** The IRS allows service members to file taxes up to 180 days after redeployment.

14. **Powers of Attorney (POA).** Specific language is required on EITHER a General or Special Power of Attorney for a dependent or designated representative to make changes to a service members military pay account. General Powers of Attorney (with no specific language) only allow dependents to obtain Leave and Earnings Statements (LESSs) from the Finance office. The Judge Advocate General (JAG) office provides Power of Attorney services.

15. **OIF/OEF Personal Finance Lessons Learned.**

a. Make sure family members can manage their finances. Use allotments and automatic bill payment programs available at banks to pay bills automatically. Make sure family members have access to money, ATM cards, checkbooks, etc. Establish a second bank account with sufficient funds by allotment-one bank account for the deployed member and one for the family members. ACS offers personal finance classes.

b. Soldiers should deploy with no more than \$200 in cash with no bills larger than \$50. Soldiers should deploy with at least 50 checks; military check cashing facilities will be available. ATMs are extremely limited in theater.



c. Deployed Soldiers can receive cash through Casual Pays with the deployed finance unit when available. A Casual Pay is an advance on the Soldier's pay; approximate limit is \$400 per month.

16. **MyPay.** Soldiers can access the myPay website on the internet through the link at www.dfas.mil or directly at <https://mypay.dfas.mil/mypay.aspx> Soldiers can view/print their last 12 months of LESs, view/print their last four W-2 Tax Forms, make allotment changes, conduct TSP transactions, create a "Restricted Access PIN", and much more.

a. Soldiers must have a current myPay PIN number to access this website. If Soldiers do not have a PIN or have lost/forgot their PIN, they can click the "New PIN" link on the website- the Soldier will get a new PIN by email.

b. The "Restricted Access PIN" lets the Soldier establish a separate PIN for family members that allows **VIEW ONLY** access to Soldiers pay information. No pay changes can be made with a "Restricted Access PIN". Soldiers can set up a "Restricted Access PIN" on the "Personal Setting Page" located on the Main Menu of myPay.

c. Soldiers and family members should familiarize themselves with the myPay website prior to deployment. The following facilities on Fort Wainwright offer internet access for Soldiers and family members:

Education center- Monday to Friday 0730 to 2200; Saturday 0800 to 1600; Sunday Closed

Library- Monday to Wednesday 1100 to 1900 Closed Thursday & Friday, Saturday & Sunday 1200 to 2000.

Finance Customer Service- Monday to Wednesday 0930-1130 and 1300-1630, Thursday Closed, Friday 0930-1130 and 1300-1430

For questions concerning this information please contact B Detachment, 267th Finance Battalion.

Customer Service	353-1307
Chief of Military Pay	353-1419
Commander	353-1336





Social Security

The writing is on the wall, Social Security is going to be privatized. It is just a matter of time. I am sure that you have already heard on the news all the talk about revamping the social security division. So what does this mean? It means that (probably in the very near future) you will be responsible for your future financial situation / retirement. The bottom line up front is for you to get involved in some type of investment program now. The problem is that we all seem to not have enough money after payday to make it to the next payday. Does this sound familiar? If it does, you are in for trouble.

Social Security: What does the reform debate really cover?

By Allison Dembeck, manager of government relations, Ceridian Corporation March 2005

The Social Security Act was passed in 1935 and began paying its first retirement benefits in 1940. While it was initially enacted to provide retirement benefits only, disability benefits and aid to widows, widowers and surviving children were later added.

While insurance terminology is often used to describe the program, such as calling the Social Security tax a "contribution" (Federal Insurance Contribution Act -- FICA), in the 1937 Supreme Court case, *Helvering vs. Davis*, the court ruled that Social Security was not an insurance program. In 1960, in *Flemming vs. Nestor*, the Court further ruled that contributions to Social Security are taxes, stating that even though workers pay into the system, individuals have no legal right to benefits. Therefore, even though American workers have an expectation of benefits, in actuality there is no guarantee that the taxes a worker pays reflects the benefits they may receive upon retirement.

How Social Security benefits work

The system is funded through payroll taxes and designed as a "pay-as-you-go," or PAYGO, instead of as a fully-funded system that accumulates money. Therefore, as payroll taxes are collected from each generation of workers, Social Security revenues are paid into the U.S. Treasury. Most of the proceeds are immediately used to pay benefits for people who are already retired and are not saved for the current workforce's future retirement. Currently, the government collects more money than it distributes in benefits, so the surplus is used to purchase government bonds. These bonds make up the Social Security Trust Fund and work like IOUs. Once the bonds are purchased, the money becomes general revenue and is used to fund other government programs. In 2018, when payroll taxes can no longer cover annual benefit payments, the government will have to redeem the bonds and pay the interest due, as happens with any other bond holder.

Social Security's finances are overseen by trustees: the Social Security Commissioner, the Secretaries of Labor, Treasury and Health and Human Services, and two congressionally confirmed public trustees. One trustee explained to Ceridian that it is



the cash flow through the Treasury that is important when examining the financial health of the Trust Fund, not the recordkeeping numbers listing how much money exists in the fund. The trustees are only in a position of financial authorization, so when the Treasury starts to experience the financial burden, that's when the funding problem begins.

Since the Social Security program began, the ratio of workers to retirees has dropped dramatically. When Social Security was first established, there were 16 workers for every retiree. In 1960, there were 5.1 workers for every retiree, and today, there are about 3.4 workers per retiree. In 2030, it's estimated that there will be 2.1 workers for every retiree. The Congressional Research Service projects that between 2000 and 2025 the number of people aged 65 and older will increase by 76 percent, while the number of workers supporting the Social Security system will grow only by 17 percent. These demographic changes, which are attributed to the three-fold problem of retiring post-World War II baby boomers, a decrease in fertility rates and an increase in life expectancy, mean that changes within the Social Security system are necessary to ensure benefit promises can be kept.

In 1977, and again in 1983, Congress faced similar concerns over the system's solvency. In an attempt to address the crisis, they enacted measures that put restraints on the growth of initial benefit levels, gradually increased the full retirement age to 67, increased payroll taxes, imposed a tax on higher-income recipients' Social Security benefits, and extended Social Security coverage to federal and nonprofit workers. Since the program began, the tax has been raised more than 40 times, from two percent in 1949 to 12.4 percent today. However, all of these changes did not provide a permanent solution, and the system continues to have impending financial problems.

How do we address the problem?

Ideas for restoring Social Security's solvency range from minimal changes to completely restructuring the system after Individual Retirement Accounts (IRAs) or 401(k) accounts. However, most of the proposals have three main goals: ensuring Social Security's long-term fiscal sustainability, increasing individual savings and wealth, and improving generational and income equity.

Ceridian recently attended a meeting where members of Congress outlined their individual reform proposals. Every member stated that passage of any bill would be impossible without two key components: some form of personal retirement account and bipartisan support.

All of the Social Security reform proposals being discussed, whether they come from the Bush Administration or Congress, say the most important part of reform is to eliminate financing gaps that exist between the projected benefit outlay and the estimated tax revenue. Some of the proposals ensure that the gaps are closed and that Social Security is able to pay the promised benefits for a limited period of time. However, most proposals not only aim to achieve temporary solvency, but also long-term sustainability. The Congressional Budget Office has been given several legislative proposals, all of which say they restore solvency within the next 75 years and put the Social Security system on a fiscally sustainable track moving forward.



Including the President's proposal, there are currently six legislative plans being discussed. Two have already been introduced as legislation in the U.S. House of Representatives. Congressmen Jim Kolbe (R-AZ) and Alan Boyd (D-FL) introduced the bipartisan HR 440, and Congressman Sam Johnson (R-TX) introduced HR 530.

Personal Retirement Accounts

In terms of personal retirement accounts, the proposal of President Bush, as well as all of the Congressional proposals, model the federal Thrift Savings Plan (TSP). The TSP is a retirement savings plan for federal government employees and members of the uniformed services, and offers the same type of defined contribution savings and tax benefits that many private companies offer through 401(k) plans. The retirement income received depends upon how much money has been contributed to the account during working years and the earnings of those contributions. One distinction that has been drawn in several of the proposals, including the President's, is that unlike the TSP, there would be no pre-retirement withdrawals or borrowing from personal retirement accounts.

Carve-out or add-on?

Four of the proposals for personal retirement accounts, including the president's, are "carve-out" accounts, which means they allow an individual to privately invest a specified percentage of their current payroll tax. The suggested carve-out ranges from three percent of the first \$10,000 of taxable earnings in HR 440 to 6.2 percent in HR 530. Senator DeMint's (R-SC) proposal differs from the others in that the allowable carve-out is based on income, giving workers with \$1 earnings the ability to divert eight percent of their tax, while workers with the maximum taxable amount of income would be able to divert three percent.

The two plans that do not carve-out amounts from the payroll tax provide for an "add-on," i.e., contributions come from money over and above the current payroll tax. Opponents of add-ons consider them a tax increase.

Guaranteed benefits

Personal retirement account proposals have other differentiating features. Two of the legislative plans, including HR 440, have mandatory enrollment and government matching for low-income worker contributions. The president's proposal calls for voluntary accounts and does not address matching contributions. In HR 530, along with two other proposals, certain specific benefit amounts are guaranteed, either an amount equal to the current law Social Security benefits or at least 120 percent above the poverty line.

Investment options

Investment options under all the proposals vary significantly, although almost all of them offer a combination of three of the five options currently available to TSP participants: a Government Securities Investment - (G) Fund, a Fixed Income Index Investment - (F) Fund, a Common Stock Index Investment - (C) Fund, a Small Capitalization Stock Index Investment - (S) Fund, and an International Stock Index Investment - (I) Fund.

Solvency requires other changes



For all the debate about personal accounts, the reality is that by themselves they would do nothing to restore the finances of Social Security. Personal accounts or not, Congress must still take painful steps to either raise taxes, cut benefits or do both.

A number of proposals would increase the cap on the level of earnings subject to Social Security taxes and provide a progressive benefit formula that would give higher benefits to lower-income workers while limiting the future growth of benefits for middle and high-income workers. Additionally, there are several variations on how to replace the wage indexing of Social Security benefits with price indexing of benefits. Currently initial benefits are adjusted to reflect the national wage growth during the beneficiary's working life. As wages generally grow faster than prices, each year's retirees receive higher benefits than those who retired the year before. By changing the indexing, initial benefits would be adjusted for inflation, then in subsequent years by the change in the consumer price index.

Outlook of final legislation

It's not possible to predict at this point whether President Bush and Congress will be able to reach bipartisan consensus on how to change Social Security. For one thing, congressional Democrats, taking their cue from organized labor and the AARP, are nearly unanimously opposed to personal retirement accounts as a "carve-out" within Social Security. Democrats favor raising taxes to address longer-term system solvency, a position President Bush seems to have ruled out.

A compromise might include a higher taxable wage base, some adjustment in future benefits growth and some system of personal retirement accounts. It's equally possible that no agreement will be reached, that Social Security reform might be postponed until there is broader recognition that the nation is experiencing a "crisis," and that Capitol Hill will turn to other issues.

In the meantime, it's very clear that both Congress and the Bush administration intend to make Social Security reform a top priority. As members of Congress continue exploring the best approaches, Ceridian will closely monitor legislative developments and report payroll compliance implications.



Taxes

Educate your employees on the Earned Income Tax Credit

Are your eligible employees taking advantage of the Earned Income Tax Credit (EITC)? Help them make the most of their salary by promoting the EITC - which may provide low income working individuals and families with a tax refund of up to \$4,300.

Educating your employees about the EITC enables your company to build trust with employees by making them aware of this valuable tax credit. And it gives your low wage employees the ability to supplement their incomes.

What is the EITC?

The Earned Income Tax Credit is a refundable federal tax credit designed for working low-income individuals and families. The credit was enacted in 1975 as a way to offset the burden for low income individuals and families of Social Security taxes and to provide an incentive to work.

Working individuals and families may be eligible for the EITC if they have an earned annual household income of less than:

- \$11,490 if there is no qualifying child (\$12,490 if married and filing jointly).
- \$30,338 if there is one qualifying child (\$41,338 if married and filing jointly).
- \$34,458 if there is more than one qualifying child (\$35,458 if married and filing jointly).

Eligible employees can apply for the EITC when filing federal taxes. Free electronic tax preparation assistance is available at Volunteer Income Tax Assistance (VITA) centers. Eighteen U.S. states also offer a state Earned Income Tax Credit. VITA centers also provide state information to employees. Employees can locate local VITA centers by calling the IRS at 800-829-1040.

Employees can also apply to receive a portion of the EITC as a supplement to their regular paychecks throughout the year. To qualify for the Advanced EITC, employees must fill out a W-5 form annually. Otherwise, the EITC is paid out with the regular tax refund.

How can you help your employees?

Corporate Voices for Working Families - a nonprofit coalition of companies committed to issues affecting working families - has developed The EITC Tool Kit. This tool kit was designed to help employers educate their employees on the tax credit incentive. The 2004 EITC Tool Kit for employer outreach was so effective that Corporate Voices developed a new and improved version for the 2005 tax season.

The tool kit includes an "Employer's Guide" to promoting the Earned Income Tax Credit. It's targeted to first line supervisors. Information covered in the guide includes:



- Eligibility requirements.
- How to talk to employees about the EITC.
- Steps for enrolling employees for Advance EITC.
- Helping employees receive their entire refund.
- Corporate best practices - how some companies helped employees get the EITC and Advance EITC.
- EITC calendar of dates to remember in January, February and March 2005.

This year's new Earned Income Tax Credit Tool Kit features bilingual flyers, paycheck stuffers and poster tear-offs. The script includes information about the Child Care Tax Credit, state EITC and home mortgage down payment assistance. The tool kit emphasizes the importance of relying on the IRS's free tax preparation centers, cautions against expensive short-term loans offered by some for-profit tax preparation centers, and encourages promotion of the Advance EITC program.

The EITC Tool Kit is *free* and available from Corporate Voices for Working Families. For more information or to download the free promotional materials, visit the Corporate Voices Web site at www.cvworkingfamilies.org



Car Buying





Websites

Military Pay and Entitlements

<http://www.dfas.mil/money/milpay/pay/>

<https://secureapp2.hqda.pentagon.mil/perdiem/>

<http://www.dfas.mil/mypay/>

www.dtic.mil/comptroller/fmr/07a/index.html

<http://www.ceridian.com/myceridian/connection/archive/1,3162,11195,00.html>

Money

<http://www.militarymoney.com/homefront/1093615527>

<http://www.mymoney.gov/>

<http://money.cnn.com/>

Financial Education websites for Youth

<http://www.myarmylifetoo.com>

<http://www.cuna.org/initiatives/youth/>

<http://www.federalreserveeducation.org/PFED/>

http://dir.yahoo.com/education/financial_aid/scholarship_programs/



<http://www.aba.com/Consumer+Connection/ABAEF+products.htm>

<http://financialeducation.citigroup.com/citigroup/financialeducation/news.htm>

<http://nefe.nclweb.org/>

<http://www.nefe.org/news/news052104.html>

http://www.itcompany.com/inforetriever/you_gen.htm

<http://www.crown.org>

Financial Education Curriculums

<http://www.bos.frb.org/consumer/pfe/national.htm>

http://www.csrees.usda.gov/nea/economics/in_focus/security_if_youth.html

http://math-and-reading-help-for-kids.org/articles/Using_games_to_teach_reading.html

<http://ceinfo.unh.edu/Money/MMKids.htm>

<http://www.glavac.com/awardwinningsites.htm>

http://wife.org/our_money/teachyourchildrenwell.htm

<http://www.prosperity4kids.com/pressroom.shtml>

Youth Financial Education Games

<http://www.ntrbonline.org/>



<http://www.richkidsmartkid.com/products/>

<http://www.extension.iastate.edu/financial/youth.html>

<http://www.fcs.uga.edu/extension/econ/literacy.html>

<http://fcs.okstate.edu/money/youth/educators/>

<http://www.lucky529.com/Games/>

<http://www.moneyfactory.com/newmoney/main.cfm/learning/fun>

Financial Planning

http://www.siainvestor.org/index_flash.htm

Saving and Investing Ways of Saving a Buck

<http://tsp.gov/>

<http://www.savingsbonds.gov/>

<http://www.quicken.com/>

<http://www.ihatefinancialplanning.com/homepage.jsp>

<http://www.miserlymoms.com/>

<http://www.thefrugallife.com/>

<http://www.stretcher.com/index.cfm>



<http://www.kidsbank.com/>

Auto Buying and Repairs

<http://www.edmunds.com/index.html>

<http://www.kbb.com/>

<http://autos.yahoo.com/repair/tree/0.html>

<http://cartalk.cars.com/>

<http://www.nada.com>

Financial Aid for a College Education

http://www.collegeboard.com/homepage/0,,00%2ben-USS_01DBC.html

<http://www.salliemae.com/consumer/>

<http://finaid.org/>

<http://www.mapping-your-future.org/>

<http://www.nelliemae.org/>

<http://www.finaid.org/scholarships/scams.phtml>

<http://www.fastweb.com/>

<http://www.finaid.com/>

<http://www.estudentloan.com/>



<http://www.scholarships.com/>

Taxes information

<http://www.irs.ustreas.gov/>

<http://www.taxanalysts.com/>

<http://www.turbotax.com/calculators/index.html>

Credit Report information

<http://www.experian.com/index.html>

<https://www.econsumer.equifax.com/consumer/landing.ehtml?^start=>

<http://www.transunion.com/>

<http://www.annualcreditreport.com>

Credit Information

<http://www.ftc.gov/ro/chro/index.htm>

http://www.myfico.com/Content/Samples/Sample_ExplinationsSummary.asp?ReportID=1&ProductID=6

Tools for Calculating interest rate for loan

<http://www.bankrate.com/brm/default.asp>

Consumer Advocacy and Protection



<http://www.consumer-action.org/>

<http://www.consumerlaw.org/>

<http://consumerlawpage.com/>

<http://www.pueblo.gsa.gov/>

<http://www.consumerworld.org/>

Fraud Prevention and Consumer Complaints

<http://www.bbb.org/>

<http://ftc.gov/>

<http://www.flimflam.com/>

Information About Charitable Organizations

<http://www.guidestar.org/>

<http://www.give.org/index.asp>

Credit Counseling

<http://www.nfcc.org/>

Insurance

Health Insurance



<http://www.tricare.osd.mil/trs.cfm>

Life Insurance

<http://www-dcst.monroe.army.mil/iet/publish/insurance.htm>

<http://www.rightquote.com/>

<http://www.instantquote.com/>

<http://www2.accuquote.com/>

<http://www.lifeinsurancewiz.com/>

Auto Insurance Quote

<http://www.4autoquotes.com/>

Information Guide To Long Term Care

<http://www.longtermcarewiz.com/>

<http://www.ltcfeds.com/>

Insurance Company Ratings

<http://info.insure.com/ratings/index.html>

SGLI/Family SGLI and VGLI

<http://www.insurance.va.gov/>



Mortgage

<http://money.cnn.com/markets/bondcenter/index.html>

<http://www.interest.com/hugh/calc/>

<http://www.homeloans.va.gov/>

<http://www.vba.va.gov/pubs/homeloanforms.htm>

Home Repairs

<http://www.improvet.com/>

Financial Planning For Relocation

<http://www.homefair.com/homefair/calc/salcalc.html>

Financial Planning for Retirement

<http://www.fedweek.com/>

Others

<http://armyonesource.com>

<http://www.armymwr.com/>

<http://www.armymwr.com/corporate/>





Pre-test

NAME: _____

1. What is a prospectus?

Answer: _____

2. What is the recommended income distribution formula?

Answer: _____

3. What are the components of a budget

Answer: _____

4. What are the procedures to reconcile your checkbook?

Answer: _____

5. How long will it take to pay off an \$8,000.00 loan at 18%, making only the minimum amount of a payment per month?

Answer: _____

6. What is FSSA?

Answer: _____

7. What does the acronym SMART stand for?

Answer: _____

8. How much can you contribute towards the Savings Deposit Program?

Answer: _____

9. List one of the 12 commandments of personal finance?

Answer: _____

10. List one good financial website.

Answer: _____

11. Explain EITC.

Answer: _____

12. List 1 of the five laws of money.

Answer: _____

13. How much will you lose? If you do not start investing at age 25 at 10%, but start at age 35. Contribution is \$200.00 per month.

Answer: _____

14. At what statutory rate will your APR be reduced under the Service Members Civil Relief Act?

Answer: _____





Financial Readiness Review

Actual class dates may vary depending on classroom availability and holidays!!!!!!!!!!!!

BUDGET MANAGEMENT: 1ST Tuesday of each Month, 1000 – 1130.

- ❖ M – Monitor Income and Expenses
- ❖ A – Allocation sheet
- ❖ S – Spending Plan
- ❖ S – Savings and Investing Plan
- ❖ I – Incorporated Goals and Initiate Investment/s
- ❖ V – Verify funds and expenses
- ❖ E – Effectively and consistently maintain your account balance

➤ Are you stressed and overspending by: Bankrate.com

1st TERM SOLDIERS FINANCIAL TRAINING: Every Thursday, 0900-1700 and is also the 4th Tuesday of each month, 0900-1700 to catch up on those who have not attended this training since November 2004.

Mandatory for all E-4 and below on their first tour of duty, per AR 608-1, para 4-38c

- ✚ Budgeting
- ✚ Consumer Skills and Scams
- ✚ Debt Management
- ✚ Savings vs Investing

CHECKBOOK MAINTENANCE: 2nd Tuesday of each month, 0900-1030.

Mandatory for all as a refresher for personnel who have abused and mis-used check-cashing privileges, per AR 608-1, para 4-38a

- ✓ How to avoid bouncing a check or getting hit with additional fees
- ✓ Common Mistakes with the checkbook and the register
- ✓ Reconciling your account
- ✓ Balancing your checkbook

CREDIT MANAGEMENT: 1st Monday of each month, 1000-1130

(MASTER OR SERVANT)

Using credit wisely will allow it to be a powerful force in your life by giving you the opportunity to obtain the things you want. It can serve you well, but used carelessly credit can become your master. The choice is yours.



- Wise and unwise use of credit
- Qualifying for credit – The three C's
- The decision making process for shopping for credit
- The cost of credit
- Beware of the myth in making minimum payments
- Warning Signs of too much credit
- Credit Report and Agencies
- Consumer credit protection laws

SAVINGS vs. INVESTING: last Wednesday of each month, 1000-1100.

- 🚩 10 Eternal Truths about Savings and Investing by: Jordan Goodman
- 🚩 If I knew then, what I know now! Things now, would be a whole lot different.
- 🚩 Pay yourself FIRST
- 🚩 The Laws of Money, The Lessons of Life by: Suze Orman

FINANCING YOUR MOVE: every other Tuesday, 1330-1500.

Mandatory for all E-4 and below who are scheduled on their initial PCS move, per AR 608-1, para 4-38b

PERSONAL FINANCIAL READINESS: 2nd Tuesday of each month, 1430-1630.

- ✓ Jordan Goodman – “Getting Your Financial Act Together”
- ✓ Jordan Goodman – “Money Answers – 10 Step Action Guide For Financial Success”
- ✓ Where's The Money

BANKING & CREDIT UNION SERVICES: 2nd Friday of each month, 1030-1200.

- ❖ Review types of financial institutions and the services they provide
- ❖ Determine the type of checking account you need and learn how to manage it
- ❖ Explain state and military ramification of bounced checks

CONSUMER SKILLS & SCAMS: 2nd Wednesday of each month, 1100-1200.

- Telemarketers
- Direct Solicitations
- Advance fee loans
- Contracts and SJA
- Three day cooling off rule
- Dot con
- The complaint process



DEBT MANAGEMENT: 3rd Monday of each month, 100-1130.

- * Discuss ways of developing good spending habits
- * Discuss the four laws of debt
- * Trapped by Debt, Free Yourself in seven steps by: Terry Savage
- * 15 signs you need help with your debt by: Bankrate.com

UNDERSTANDING INSURANCE: 4th Tuesday of each month, 1030-1200.

- Provides protection against financial loss or disaster
- What Do I Need
- What Do I have

OTHER CLASSES TAUGHT:

**CAR BUYING TIPS
PREDEPLOYMENT BRIEF
RETIREMENT PLANNING
THRIFT SAVINGS PLAN
UNDERSTANDING CREDIT REPORTS
HOW TO READ YOUR LES
SAVINGS DEPOSIT PROGRAM
EXTRA EXPENSES FOR EXPECTING PARENTS
FINANCIAL PLANNING FOR TEENAGERS**

Of special interest:

GOALS:

- S - Specific
- M - Measurable
- A - Attainable
- R - Realistic
- T - Time sensitive

INCOME DISTRIBUTION:

- 10 - Savings and Investing
- 20 - DEBT
- 70 - Flexible / Actual spending habits



FAMILY SUBSISTANCE SUPPLEMENTAL ALLOWANCE:

Qualify to receive up to an extra \$500.00 per month in your pay

CONSUMER PROTECTION LAWS:

- Truth In Lending Act
- Electronic Fund Transfer Act
- Fair Credit Billing Act
- Fair Debt Collection Practice Act
- Equal Credit Opportunity Act
- Fair Credit Reporting Act
- Fair Credit and Charge Card Disclosure Act

SERVICE MEMBERS CIVIL RELIEF ACT:

The purposes of this Act [sections 501 to 596 of this Appendix] are--

(1) to provide for, strengthen, and expedite the national defense through protection extended by this Act [said sections] to service members of the United States to enable such persons to devote their entire energy to the defense needs of the Nation; and

(2) to provide for the temporary suspension of judicial and administrative proceedings and transactions that may adversely affect the civil rights of service members during their military service.





ICE – INTERACTIVE COMMENT EVALUATION

ICE Comment Card

1. Please complete the following / Response Requested

Your Name Title/Position Company

Business Address City State Zip Code

(Area Code) Telephone E-mail Address

2. CUSTOMER SERVICE:

Facility Appearance: Excellent Good OK Poor Awful

Employee Attitude: Excellent Good OK Poor Awful

Presentation timing: Excellent Good OK Poor Awful

Hours of service: Excellent Good OK Poor Awful

Meet your needs? Excellent Good OK Poor Awful

What is your status: Active Duty Military Retired Civilian Employee
 National Guard Family member Veteran Reserve NA

3. SATISFACTION:

Were you satisfied with your experience at this facility? YES NO

4. COMMENTS AND RECOMMENDATIONS:



TRAINING / COUNSELING EVALUATION FORM

Answers are: Excellent (10-8) / Average (7-4) / Not Satisfactory (3-1)
Use numbers only!!

- 1) What is your overall rating of this training / counseling?
- 2) Did the training meet advertised promises?
- 3) How would you rate the pace of delivery?

THE TRAINING WAS:

- 4) Interesting and enjoyable
- 5) Practical and Useful
- 6) Organized and easy to follow

THE TRAINING FACILITATOR:

- 7) Used relevant examples throughout the days training / counseling
- 8) Responded effectively to questions
- 9) Was knowledgeable about the subject
- 10) Explained learning resources available
- 11) Involved with the audience
- 12) Was a good listener



GLOSSARY and ACRONYMS

SDP ~ Savings Deposit Program

FSSA ~ Family Subsistence Supplemental Allowance

Prospectus ~

Recommended Income Distribution ~

Goals ~ SMART: Specific, Measurable, Attainable, Realistic, Time-sensitive.

Budget ~ MASSIVE: Monitor, Allocate, Savings, Spending, Incorporate and Initiate, Verify, Effective and Efficient.

EITC ~ Earned Income Tax Credit.

TSP ~ Thrift Savings Plan.





