



## Planning Ahead



Would you throw 10, 20 or 30 dollars away? Of course not. But many of us do exactly that when we forget to pay a bill on time. Late fees often cost 10, 20 or even 30 dollars and in the case of credit cards, a late payment may increase your interest rate as well.

To avoid late fees and other extra charges, open bills when they arrive, note the due date on them and then plan ahead to make sure they're paid on time. One way to do this would be to write the due dates of all bills on a calendar making sure you allow time for mailing. Then keep all your bills in one place (a shoe box will do) where they will not get lost or misplaced.

I'm sure you've heard the old saying, "Better late than never." When it comes to paying bills, "Never late is much better!"

## Did You Know?



You've seen the ads. But did you know this about **freecreditreport.com**? If you get your credit report from them, you have 30 days to contact them and tell them you're not interested, otherwise you will be enrolled in a credit monitoring service that will cost you about \$15/month. Ouch! To get a free copy of your credit report from each of the 3 major credit reporting services without the hassle and potential cost, go to **annualcreditreport.com** or call 1-877-322-8228.

## THE SAVING CENTER

### Little Things That Can Save You Big Dollars

- Unless you drive your car under rough conditions, it's perfectly okay for most cars to change the oil every 5,000 miles or 6 months (whichever comes first) instead of at 3,000 miles which is often suggested by those who benefit when you change the oil.
- Cell phone companies often have discounts for employees of certain companies. Check your cell company's web site or call their office to see if you qualify. As an MSU employee, I just found out this month that I'm entitled to 19% off my monthly Verizon bill.
- You'll use up to 60% less energy by boiling water in your microwave rather than on an electric stovetop. When you do use the stovetop, make sure pots and pans fully cover the heating element. A 6 inch pan on an 8 inch element wastes about 40% in energy.
- Stop that dripping faucet. Believe it or not, just 60 drips a minute will waste about 6,428 gallons a year. And here's some good news. Often all that's needed is an inexpensive washer. Ask about it at your local hardware store.
- Just 10 seconds of idling your car's engine uses as much gas as restarting it. Two minutes uses enough gas to drive a mile. So turn your engine off.



## Ask the Money Man

**Q.** If I can't pay all my bills, which ones should I pay?

**A.** There are many factors to consider when deciding which bills to pay first. Here are some of the most important:

- It's not necessarily the creditors who yell the loudest or threaten the most who should be paid first.
- It's usually most important to pay your rent or make your house payment (including property taxes and insurance). If you don't, you could be evicted or lose your home.
- Pay what you must to maintain essential utility services.
- Pay car loans or leases next if you really need your car. Missed payments could result in repossession.
- Income taxes are also a high priority. File your returns even if you can't afford to pay what's due.
- Unsecured debts (those without collateral such as credit cards and medical bills) are a lower priority because there's little these creditors can do to hurt you in the short term.
- Court judgments move a debt up in priority but if your income is low and you have few assets, there isn't much a creditor can do to collect.

**Would you like to be smarter about money? Would you like to worry less about it? Would you like to get more of the things you really need and want with the money you already have? Then this course is for you!**

**What:** “Dollar Sense” – A Non-judgmental and Fun (really) Money Management Course, consisting of 5 – 2 hour classes.

**When:** “Dollar Sense” is offered several times during the year. The next course will begin on Tuesday, Nov. 2, 2010 and run for 5 consecutive Tuesday evenings from 6:30 to 8:30

**Cost:** Only \$5.00 for the entire course.

**Where:** MSU/Kent County Extension Office  
775 Ball Ave. NE, Grand Rapids, MI 49503

**BUS LINE #14**

**What “Dollar Sense” Students Have Said:**

“Honestly, I thought this class would be boring and unhelpful, but I was very wrong – it was awesome!” --Keisha--

“Will help me get the things I want for my children and myself.” --Tammy--

**Call Dave Treul at 336-3212 with questions or to register.  
Pre-registration is required.**

***Come join us and make the most of your money!***

Accommodations for persons with disabilities may be requested by calling Dave Treul at 336-3212 five days prior to ensure sufficient time to make arrangements.

**THE CREDIT CORNER  
Settling Debts**



Creditors, including all collection agencies, are usually willing to settle unsecured debts that have been past due for some time (with the exception of government insured student loans) for less than the full balance. The typical settlement range is anywhere from 35% to 65% of the balance owed.

When settling a debt it's always best to pay with a personal check. This will provide you with proof of payment. It is also wise to get the terms of your settlement in writing prior to making payment. Make sure that the creditor states in writing that they will consider the balance paid in full upon receipt of your payment. Finally, ask the creditor for a statement showing a \$0 balance once you've made your payment.

After settling a debt, make sure to get a copy of your credit report and make sure that the debt is now being reported as "paid in full" or "settled" and shows a \$0 balance. If not, provide the credit bureau with the written terms of the settlement and your proof of payment and ask them to correct it.

**Would You Pay  
Someone \$160/Hour  
To Shred Your Cheese?**

You're probably thinking nobody would ever pay so much for so little, but if you've ever bought shredded cheese, guess again. According to Linda Vaughn, head of Arizona State University's Department of Nutrition, that's exactly what we're paying when we buy shredded cheese.

By purchasing both a one pound block of cheese for \$6 and a pound package of shredded cheese for \$10 and then comparing the extra \$4 cost of the shredded cheese to the 1.5 minutes it took her to shred the block of cheese, Vaughn determined that she was paying \$4 for 1.5 minutes of work, or \$160/hour.

Vaughn also determined that we pay approximately \$75/hour for someone to slice our apples and \$49/hour for someone to slice our celery. We also pay an incredible \$43/hour when we buy cheese sticks and about \$20/hour when we buy pre-packaged meat and cheese for lunches.

When we choose convenience, it often comes with a price. Remember that the next time you go food shopping and you may well end up with some extra money to spend on other things you need or want.



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