



Planning Ahead



Whether it's to get the money needed to buy something we'd really like to have, or simply to have some money set aside for things like car repairs and emergencies, saving some money each month is certainly an important thing to do. It can also be hard to do. Money gets spent easily and before we know it it's gone and nothing has been saved despite our best intentions. To make saving easier, plan to have a part of your paycheck automatically transferred to a savings account (if you don't have a savings account read the "Did You Know" article below). Taking this simple step has helped a lot of people save who thought they couldn't.



Did You Know?

Did you know that there are still plenty of places where you can get a savings account for free? Yes, it's true. Although most banks now charge about \$3/month for a savings account unless you maintain a certain balance, credit unions still offer accounts for free and all it takes is about a \$5 deposit to open it. Some credit unions have limitations on who can bank there but more and more of them have what is called open membership, meaning anyone can open an account. To find the most convenient credit union that you can join, go to lovemycreditunion.org and start saving today.

THE SAVING CENTER

7 Ways to Save BIG on your Next Car Purchase

- Before shopping, determine your needs and wants...and don't forget the difference.
- Buy used instead of new. New cars lose about 20% of their value in the first year.
- If at all possible, plan ahead, save, and buy a reliable used car for cash.
- Find out which makes and models in your price range cost less to insure and have better repair records. And at today's gas prices, don't overlook gas mileage.
- Protect yourself by finding out the car's fair market value (www.kbb.com), its history (www.carfax.com) and its service record.
- Test drive the car and have it checked by a mechanic before buying it.
- If you can't pay cash, get a loan instead of a lease and prepare a budget so you know what you can afford each month. Don't accept a loan from a dealer without shopping around. Remember that the larger the down payment and the shorter the term, the less you'll end up paying.
- If you have any doubts, walk away. There's always another car.



Ask the Money Man

Q. *What is a good credit score?*

A. Credit scores (you have 3 of them, one from each of the 3 major credit reporting agencies) can affect you in several important ways. They, along with other factors, are used by lenders in determining how much to charge you for a loan. They can be used by landlords in deciding whether to rent to you. They're often used by employers in helping them to decide whether or not to offer you a job. And they're even used by several car insurance companies as one factor in deciding what to charge you for coverage. A "low" credit score can, therefore, hurt you in several ways.

Scores range from 350 to 850 with 850 being the best. Approximately 50% of the population has a score of 700 or above.

Until recently, a score of 700 or above almost always assured you of getting the most favorable rates from a lender. Now, however, given the recession and tighter bank lending policies, you may well need an even higher score, perhaps as high as 750, to get the best rates available.

You can purchase your score from each of the 3 major credit reporting agencies (Experian, Equifax and Trans Union) or buy a good representative score by going to myfico.com. A reasonably good estimate of your score can be obtained for free by going to credit.com or creditkarma.com.

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, September 6, 2011 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

Questions to Ask When Shopping for A Loan

No matter what your reason is for getting a loan, you’ll save money by comparing loan rates and terms at several places before signing on the dotted line.



Here are some questions to ask when shopping for the best loan for you:

- What is the interest rate I’ll be charged? Ask what the APR (Annual Percentage Rate) is and use this to compare.
- How much will my monthly payment be?
- How many payments will I have to make?
- What is the total amount I’ll have to pay including interest?
- How much interest would I save if I had a higher monthly payment and shorter loan term?
- Are there any additional costs, charges, or penalties that I either have to pay or might have to pay and if so, for what and how much will they be?

The “Last Taboo” – Talking About Money

According to a recent survey, 1/3 of all adults haven’t had even one conversation about finances with their spouse or partner. Are you surprised? I’m not. In fact, I have long called conversations about money the “Last Taboo.” Generally speaking, I think we talk about sex easier than we talk about money.

There are several reasons for this, but I think it boils down to the fact that we’ve never been taught how to talk about money which in turn makes us uncomfortable with it. Being uncomfortable, we avoid it, even with the people we love and are sharing our money with!

But avoiding talking about them won’t make the family money issues go away. In fact, quite the opposite can be true. Resentments can build, arguments can break out and relationships can break up. We need to start talking about our finances. Here are some tips on how to begin.

Start by making a commitment to do it. Set a regular time to meet and stick to it. This will show your commitment and build trust. As you talk, respect your partner and treat them like you’d like to be treated. Begin by sharing childhood memories about money and how they might affect you today. Then talk about your hopes and dreams without interrupting. Next talk about your fears concerning your differences as well as what you admire about your partner when it comes to money. Finally, be willing to compromise, as you make a shared spending plan that includes goals you both deem important.

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