

THE CONSUMER
ADVOCATE

SUMMER 2006

INSIDE THIS ISSUE:

**VACATION AND
GAS PRICES, DO
THEY MIX?** 1-2**WOULD YOU FALL
FOR THIS?** 2-3**CELEBRITY SENSE** 3**TAX FREE
SHOPPING?** 3-4**SPOTLIGHT** 4**SEMINARS** 4OUR
EDUCATIONAL
MISSION...

is to teach the general public ways to reduce and control debt. We accomplish this by providing individualized, ongoing counseling, and by conducting frequent in-house seminars as well as community out-reach activities. We strive to help all consumers develop the skills they need to maintain a dignified lifestyle through their lifetime.

VACATION AND GAS PRICES, DO THEY MIX?

Over the past several months, filling up the gas tank has left many of us cringing at the total price. We painfully hand over our hard earned money, wishing that it could be set aside for our debts or our savings, rather than transportation costs.

Unfortunately, the price hike comes at a time when many are planning their summer vacation. Will the price increase jeopardize your monthly or vacation budget, and as a result interfere with your travel plans? Consider this: at the beginning of the year, those that traveled in an economy car were able to fill up their tanks for approximately \$20 - \$25 and now the cost is well over \$30! Does your vacation budget allow for this increased cost? You may think an extra \$5 or \$10 each fill up is not a great deal of money, but consider the cost when you are filling your tank multiple times per week.

How are you going to combat the increased financial burden? DCC has some tips on how to save at the pump and save on your vacation.

- **Many of us overlook the cost of gas when planning a vacation.** Don't be one of them. Your vacation is a time for you to relax and enjoy yourself, not feel stress from an overextended budget. When creating your vacation budget, make a *realistic* gas budget that includes getting lost, unexpected trips to the store, etc. Visit www.gasbuddy.com to investigate gas prices in the state you are traveling to as gas prices can drastically differ depending on the region. Proper preparation can help you save a few dollars by changing where you plan to fill up.

- **Follow a cash budget by using travelers checks when you travel.** Using cash is the best way to stay within your budget, but unfortunately not the safest. Traveler's checks are used like cash but insured and re-issued in case of theft or loss. This permits you to stay within your budget and gives you a sense of security in case you misplace them. Do not charge your traveling or leisure activities on your credit card unless you have the cash at home to pay off the credit card in full at the end of the month. You do not want to be paying for your vacation in the years to come. If need be, make your vacation a day or two shorter to stay within your vacation budget.

- **Alter your vacation destination.** Are you planning on driving 200 or 800 miles to your vacation destination? Think about the number of trips to the gas station you'll need to make depending on how far you drive. Consider altering your destination to one closer to home or within a couple hours driving distance. There are generally great activities and attractions right in your backyard that you may not be aware of. Any destination can be fun as long as you are excited about it and it gives you a chance to relax. (Cont. pg. 2)



VACATION AND GAS PRICES, DO THEY MIX? (CONT)

- **When driving, look for stations beyond the freeway:** Generally, the gas stations located on the freeway service roads are the most expensive. They prey on travelers and tourists that want to pull right off and back onto the road without wasting time. Oftentimes travelers find that if they drive a couple of miles into the local town, the gas is a few cents cheaper. Every penny counts when the price is over \$3 per gallon.
- **Consider an “all inclusive” resort vacation:** The resort itself is the vacation where all meals and accommodations are included. You will save at the pump because you will not need to drive anywhere.

If you are feeling stressed about vacationing this summer due to high gas prices, consider all of your options. Canceling your vacation completely is only one option, but making a few simple alterations to fit your budget is another. **Do not try and vacation above your means forcing you to resort to credit cards.** If you do, it can cost nearly double with high interest rates and will probably cause a lot of undue stress.

Everyone is feeling the pinch with these high unexpected costs. If you are struggling to meet your financial responsibilities or are simply not saving as much money as you previously were due to increased gas costs, contact your Certified Credit Counselor to review a budget and find areas where you can cut back.

WOULD YOU FALL FOR THIS?

Con artists and thieves are always creating new ways to scam money from hardworking unsuspecting consumers. The best way to avoid being a victim of a scam or money trap is to be aware of how they may trick you. Rely on your instincts. If something sounds too good to be true, it probably is.

- * **Gas scams:** With the high gas prices, the allure of discounted gas is incredibly appealing, so be wary of this one. A telemarketer will call and offer gas vouchers for \$200+ and this sounds great, but there is a small handling fee (\$4-5) that can be conveniently charged directly to your credit card. All you have to do is give them your credit card number and expiration date and the voucher will be sent directly to your house. After you give out the numbers, mysterious charges will appear on your credit card statement and you will be waiting for your gas voucher that will never come. Always be extremely cautious when giving out your credit card information over the telephone, especially to companies that have contacted you. If you feel this may be a scam, don't give out any personal information and ask for a phone number to contact them at a later time.
- * **You get a phone call from your credit card company:** and they inform you that there has been some unusual activity on your account and would like to verify your recent purchases. You learn that someone has been fraudulently making purchases using your credit card and they offer to credit your account for the purchases. THEY will confirm your credit card number, the date of expiration, and home address. They will then ask you to verify that you possess the credit card by asking you the 3 digit number on the back of your credit card also known as the security number. You hang up the phone and are thankful that the credit card company spotted an unusual purchase. Unfortunately, you may have just been a victim of a scam and when you open your statement at the end of the month, you may find a series of unusual purchases. Contact your credit card company immediately.
- * **Home inspectors randomly come to your home:** Lucky for you, a home inspector and their partner happen to pass your home and notice that your roof is leaking. Generously, they offer to take a look. One of two things will happen next: one inspector will go onto the roof while the other steals your valuables OR they spray some water on your roof and offer to fix the obvious leak for a reasonable fee. (Cont. pg. 3)



WOULD YOU FALL FOR THIS? (CONT)

If you accept the offer to fix the roof, the home inspector will make some noise on the roof as they “fix” the problem. You thankfully write them a check for the *unnecessary* repairs! You may never know you have been scammed or you may realize that the inspector had no way of knowing that your roof was leaking from the road. The check is generally cashed immediately, but if not, contact your bank to put a stop on the check. If the check has been cashed, you have no recourse.

- * **Putting your checks in the mailbox:** You do everything right when it comes to paying your bills. When you get a bill, you make out a check, put it in the mailbox, and raise the red flag for the postman. Unfortunately, you may catch someone other than the postman’s attention. A con artist will go to your mailbox and remove the mail that is supposed to be sent out. If one of your pieces of mail is a bill with a check enclosed you may have a serious problem. The con artist may do one of two things with your check:

They may remove the name in the “payee” portion of the check as well as the denomination amount. The payee will mysteriously change to “Cash” so anyone can cash the check and the amount will be changed to a significantly higher amount. The check will be cashed because it will appear valid since you have actually signed it. You may also be hit with a bounced check fee if your checking account did not have the funds to cover the check. Or...

The con artist will record your account and routing number and begin making counterfeit checks. Mysterious check withdrawals will begin to come out of your account.

To avoid falling victim to this scam always drop off your bills at the post office directly or explore paying your bills over the internet. When you receive your bank statements at the end of the month, be sure to open them and check for accuracy. If anything is inaccurate, contact your local bank.

These scams are incredibly sneaky and so easy to get caught up in. We want to trust these people that claim they are trying to help us. But, you need to be wary of all companies, especially companies or individuals that seek you out directly. Be extremely cautious giving out personal information over the telephone. If something sounds too good to be true or does not feel right, walk away. You have resources to learn about a company before making a commitment to use their services. Contact your local attorney general to learn what previous clients have said about the company or to get further advice if you have fallen victim to one of these scams.

TAX FREE SHOPPING?

Who wants to shop and not pay taxes? We all do, and to date, the residents of *Alabama, Connecticut, Georgia, Iowa, Maryland, Missouri, New Mexico, North Carolina, South Carolina, Tennessee, Texas, and Virginia* will be able to take advantage of this. Their state Department of Revenue and Taxation are offering a sales tax holiday to help alleviate the cost of back to school expenses. A sales tax holiday is a designated week or weekend throughout the year where there is no sales tax on pre-approved items.

Pre-approved items vary by state but generally include:

Clothing: This generally includes pants, shirts, dresses, hats, belts, and undergarments. Regardless of how many items are sold at once, each individual item must be less than \$100.

Shoes: includes all dress and tennis shoes, but excludes, skis, roller blades, etc.

School supplies: this can include items purchased for educational use or items that could be used in a classroom.

Depending on your state of residence, simply not paying tax could save you up to 10% on your purchases! To learn more about the parameters of each state sales tax holiday or to inquire if your state is offering one visit www.taxadmin.org/fta/rate/sales_holiday.html#chart and follow the link to your state Department of Revenue website. (cont. pg. 4)

Celebrity \$ense

“Money is far from the measure of our worth” Oprah Winfrey, talk show host

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www.debtcounselingcorp.org

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TAX FREE SHOPPING? (CONT)

To date, the holiday sales tax schedule is as follows:

- ✦ August 3-6: **Georgia**
- ✦ August 4-5: **Iowa**
- ✦ August 4-6: **Alabama, Missouri, New Mexico, North Carolina, South Carolina, Tennessee, Texas, and Virginia.**
- ✦ August 20-26: **Connecticut**
- ✦ August 23-27: **Maryland**

As of June 1, 2006, **New York** has implemented a year round 4% exemption on all clothing and shoes costing less than \$110 per item and forgoing the sales tax holiday it has helped initiate in other states.

If possible, try to save your shopping until this time to take advantage of the savings. Prior to shopping, review your budget to determine a dollar amount you can reasonably afford to spend on "Back To School" expenses. To help stay within your budget, make a list of what you need and set a limit as to how much money you can spend on each item and *stick to it!* If you spend more money than planned on one item, make the necessary adjustments in your budget and cut back on another item. Although tempting, *do not go on a shopping spree simply because the items are tax free.*

SPOTLIGHT IN THE COMMUNITY URBAN LEAGUE OF LONG ISLAND

- This past April, our education staff worked in conjunction with the Urban League of Long Island, Dowling College, and Wyandanch school district as part of a new GEAR UP program (Gaining Early Awareness and Readiness for Undergraduate Programs). The GEAR UP program is an educational program designed to equip future first generation college students with the necessary skills for successful completion of an associate's or bachelors degree. DCC conducted an informational session for parents of college bound children to discuss topics including college costs and savings plans, budgeting, and financial management. The students attended an educational session exploring future college costs, budgeting, and differentiating between needs and wants. Both sessions were extremely successful and DCC looks forward to working with the Urban League this summer introducing financial topics at their summer day camp.
- If you are interested in having DCC present a no cost financial seminar at your location, please contact Bianca Ladowski, M.S. to schedule an event today 1.888.354.6332 ext. 328.

UPCOMING SEMINARS

Did you know that DCC offers free monthly seminars at our Hauppauge location? Mark your calendars for the next two!

- **July 25, 2006:** Understanding Credit Reports.
- **September 26, 2006:** Single or Suddenly Single? How to take control of your financial situation.
- All seminars begin at 12:30 pm. Refreshments will be served.

Call 1.888.354.6332 ext. 315 for more information and to reserve your seat. We hope to see you there!