

Interestingly, when it comes to credit card accounts, car and similar loans, all the opportunities are in your favor, if you have a consistent record of paying your bills on time. If you take out a loan at one interest rate, and rates go up across the country, you can enjoy the good deal you have. On the other hand, if rates drop, you can refinance your loan at a lower rate. Those individuals who do not have a history of paying their bills on time do not have the same opportunities.



When you learn to become a conscious consumer, you know where your money goes. When you know where your money goes, you remain in control of your finances. If you continually scrape by, if month after month you struggle with your money, you should pay close attention to see exactly where and how you are spending your money. Chances are you have some serious spending leaks, and you need to do something about them. Plugging your spending leaks is not terribly difficult once you are alert to them.

Financial Literacy for the consumer provided by:

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*Providing realistic solutions for solving credit
and debt problems since 1996.*



BECOMING A SMART CONSUMER



*Learn to avoid overpaying for
the things you need or want.*

Becoming a smart consumer is a two-step process:

1. Learn to pay attention to bargain pricing and sales.
2. Learn to curb impulse purchases by identifying wants and needs.

Shop Around

You rarely need to pay full-price for the things you want and need. If you plan your non-consumable commodity purchases (paper towels, deodorant, shampoo, etc.) ahead of time, you can take advantage of the sales and promotions offered weekly by supermarkets. You can also lower your spending on groceries as you become aware of competitive pricing among local grocery stores and supermarkets.

Be Proactive

You can save considerably on large expenses, such as a television or computer if you wait for seasonal sales (during Thanksgiving and Christmas). Otherwise, you can negotiate a price with the vendor. As a consumer, it is your job to be proactive and research comparative pricing prior to requesting a discount. This may involve checking the daily newspaper, calling competing stores, and searching through the Internet for competitive prices. By knowing the market cost of a good, you can be more confident when speaking to the vendor. Most major chain stores will honor their competitors' prices.

Know What You Need

Preparing a shopping list prior to any supermarket visits, and do not buy anything

that isn't on the list. This will reduce impulse buying.

Tips for savvy consumers:

Use coupons from the newspaper and magazines for grocery store items. It is not unreasonable to shave twenty percent or more from what you spend at the grocery store just by clipping coupons and presenting them to the checkout clerk. Coupons are big business. Those who use them can save themselves hundreds of dollars every month.

✓ Bring coffee and/or lunch from home, or at least cut down on the number of times you buy lunch each week. Over the course of a year, this adds up to over \$1500 in savings, if you spend \$7-10 per day on food.



✓ Buy your gasoline from a discount station.

Local gas all comes from the same source, and all of the local stations pay the same price for it.

✓ Conserve on gasoline and car/truck maintenance by putting fewer miles on your vehicle. For better gas mileage, keep your tires properly inflated.

✓ Drive your car until the wheels fall off. The car dealer may say that your ten-year-old car is next to worthless, but it still gets you to and from work and all around town. As long as it is safe, keep driving it. Avoid the temptation of the shiny new car and the payments and higher

insurance rates that go with it.

✓ Take advantage of end-of-season sales when shopping for clothes. You can also find great bargains at garage sales and thrift stores.

✓ Buy off-brands. Generic sodas or brands of paper towels typically cost less than the highly advertised national brands.

✓ When choosing a cell phone plan, find one that's appropriate for the calls you intend to make and the types of services you actually need.

✓ Pay all of your bills on time. You can literally waste thousands of dollars on late fees and interest payments. The amount of money that people waste in late fees, higher interest charges, and over-limit fees is phenomenal.

✓ If you have a high interest car loan, ask if you can refinance it at a lower rate or if they are willing to make any concessions.



Don't Be Afraid to Ask

Did you know that you probably could get better terms

on your credit card just by asking? The credit card company that issued your card does not want to lose your account, especially if you are in good standing, to one of their competitors. Tell them you have a better deal from another card issuer and ask if they will match or beat it. The worst they can say is "no."