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America Saves Week

February 20-27, 2011 are the dates for America Saves Week.

During America Saves Week, individuals will be encouraged and assisted to assess their savings progress and take action to advance this progress. They will begin working towards paying off their debts and saving to reach their financial goals. This encouragement and assistance will be provided by a variety of federal, state, nonprofit, and educational organizations and professionals with an interest in improving the financial security of individuals and families.

The website www.americasaves.org offers a wealth of information to help you plan or participate in the week's events. The site provides tips and tools to help consumers set goals and develop strategies to reach those goals including worksheets, articles, resources, and blogs.

New Retirement Calculator

AARP has launched a new innovative retirement calculator. To access the new tool go to <http://www.aarp.org/work/retirement-planning/retirement-calculator/>

The easy to use tool features pre-populated answers that make it simple and fast to run through various scenarios. The site also provides an easy to understand explanation of where you stand currently in your retirement planning. Useful links are given to learn more about Social Security, financial planning, and health care in retirement.



English Proficiency & Financial Literacy

A lack of English proficiency can create significant barriers to financial literacy and to conducting everyday financial affairs, according to a Report to Congressional Committees from the U.S. Government Accountability Office.

Individuals with limited English language skills may find it especially difficult to:

- Write checks,
- Track deposits and withdrawals from their accounts,
- Ask questions regarding additional fees on credit card statements or resolving problems,
- Use automated telephone menu systems to obtain assistance,
- Understand complex credit card and mortgage disclosures.

The complexity and specialized language of financial services can make conducting financial affairs particularly challenging for individuals with limited English proficiency. Translations to other languages may not be fully comprehensible if it is not written using colloquial or culturally appropriate language. Many financial terms do not have an equivalent term in other languages (i.e., subprime, 401k).

Oral translations can also be problematic since the translators may not fully

understand the terms or complexity of the materials they are trying to explain. Some financial institutions reported hesitation in providing interpreter services for fear of providing incorrect or incomplete information.

According to the report, additional barriers to financial literacy exist for immigrant communities, including a lack of familiarity with the U.S. financial system, cultural differences, general mistrust of financial institutions, and income and education level.

Individuals with limited English proficiency are more likely than the U.S. population as a whole to be “unbanked” or “underbanked.” Unbanked consumers (i.e., have a checking or savings account but do not fully use all the services available) frequently pay excessive fees for basic financial services, are more vulnerable to loss or theft, and struggle to build credit histories and achieve financial security. They are also more likely to use more costly alternative financial services: pawn shops, payday loans, rent-to-own agreements, nonbank money orders, and check-cashing services.

Source: Consumer Finance: Factors Affecting the Financial Literacy of Individuals with Limited English Proficiency, U.S. Government Accountability Office, GAO-10-518, May 2010.

Items to Keep Out of Landfills



Rechargeable Batteries

Rechargeable batteries are the power source for cordless power tools, cellular and cordless phones, laptop computers and camcorders. They contain heavy metals such as nickel, cadmium, lead, mercury, and/or lithium-ion and should NOT be tossed in your household trash can. Rechargeable batteries should be taken to a battery recycling center found at most home improvement stores. Recycling rechargeable batteries reduces waste in our landfills and stops harmful chemicals from contaminating our soil and water.

Most everyday use batteries are alkaline and lithium, which in most states can be disposed of via your normal household waste process. The heavy metals have been eliminated from these products so they don't contain any materials classified as hazardous under federal EPA guidelines.

Pills

Until recently, flushing expired prescriptions and other unwanted medications down the toilet had seemed like a safe and quick method of disposal. There are now reports that trace amounts of human medicines can be found in 80 percent of U.S. streams, causing concern about the safety of fish and other aquatic life. The best way to dispose of your unwanted medications is to take them to your local household hazardous waste facility. You can search <http://earth911.com/recycling/> to find a local recycler. However, controlled substances such as Vicodin, Codeine, or Ambien can not be disposed of this way. For these substances, you need to contact your local police department (non-emergency number) or your city and county offices. Your pharmacy may accept old medicines back from patients. Be sure to dispose of these medications safely.

Source: "Don't Flush That Pill!", [Consumer Connection](#), California Department of Consumer Affairs, Fall, 2010, p. 7.

Searching for a New Credit Card?

If so, there are two websites you may want to check out. **Nerdwallet.com** helps you select the best card by narrowing down the number of credit cards to choose from based on your personal situation (i.e., working, retired, or student) and how you plan to use the card (i.e., pay off the balance each month, or not).



BillsShrink.com also helps you search for a credit card, but it requires you to provide information about how you use credit, the type of card you primarily use, as well as your email address. They also ask whether you carry a balance on your credit cards, how much of a balance you carry, and how much you charge each month. Since you are providing a lot more information, the results you receive are more personalized.

Both sites are useful in finding the best credit card to meet your needs. Keep in mind that the best card may not be the one you receive in the mail.

Kids Count 2010

The Annie E. Casey Foundation funds a national and state-by-state tracking of the status of children in the U.S. By providing an annual benchmark of child well-being, Kids Count seeks to enrich discussions concerning ways to secure better futures for all children. Below are the most recent rates and rankings for California and the nation compared to our state ranking last year and ten years ago. Our overall ranking is gradually improving, from 26 in 1997 to 19 in 2007.

	1997		2006		2007/08		
	State Rate	National Ranking	State Rate	National Ranking	State Rate	National Ranking	National Rate
Percent low-birthweight babies	6.2%	8	6.8%	6	6.9%	12	8.2%
Infant mortality rate (deaths per 1,000 live births)	5.9	8	5.0	3	5.2	5	6.7
Child death rate (deaths per 100,000 children ages 1-14)	21	6	17	15	16	11	19
Teen death rate (deaths per 100,000 teens ages 15-19)	52	14	60	16	52	12	62
Teen birth rate (births per 1,000 females ages 15-19)	36	36	40	23	40	22	43
Percent of teens not in school and not high school graduates (ages 16-19)	10%	29	7%	23	6%	15	6%
Percent of teens not attending school and not working (ages 16-19)	9%	26	8%	23	8%	21	8%
Percent of children living in families where no parent has full-time, year-round employment	31%	42	35%	38	30%	38	27%
Percent of children in poverty	25%	40	17%	25	18%	27	18%
Percent of children in single-parent families	26%	18	31%	22	32%	23	32%

Sources: The Annie E. Casey Foundation, *2010 Kids Count Data Book*; *2009 Kids Count Data Brief*; & *2000 Kids Count Data Book*; datacenter.kidscount.org

Poverty in the U.S.—2009



Poverty Increasing

The official poverty rate in 2009 was 14.3 percent—up from 13.2 percent in 2008. This was the second statistically significant annual increase in the poverty rate since 2004.

In 2009, 43.6 million people were in poverty, up from 39.8 million in 2008. The 3.8 million increase is the third consecutive annual increase in the number of people in poverty.

Between 2008 and 2009, the poverty rate increased for non-Hispanic Whites (from 8.6 percent to 9.4 percent), for Blacks (from 24.7 percent to 25.8 percent), and for Hispanics (from 23.2 percent to 25.3 percent). For Asians, the 2009 poverty rate (12.5 percent) was not statistically different from the 2008 poverty rate.

The poverty rate in 2009 (14.3 percent) was the highest poverty rate since 1994 but was 8.1 percentage points lower than the poverty rate in 1959, the first year for which poverty estimates are available. However, the

number of people in poverty in 2009 (43.6 million) is the largest number in the 51 years for which poverty estimates have been published.

Between 2008 and 2009, the poverty rate increased for children under the age of 18 (from 19.0 percent to 20.7 percent) and people aged 18 to 64 (from 11.7 percent to 12.9 percent), but decreased for people aged 65 and older (from 9.7 percent to 8.9 percent).

Household Income

Real median household income was \$49,777 in 2009, not statistically different from the 2008 median. Since 2007, the year before the most recent recession, median household income has declined 4.2 percent (from \$51,965) and is 5 percent below the median household income peak (\$52,388) that occurred in 1999.

Impact of Wives' Earnings

Employed wives' contribution to total family earnings jumped to 47 percent last year from 45 percent in 2008—the largest single-year increase during the past fifteen years. Unfortunately, this large increase in contribution to family earnings was not due to a large increase in wives earnings (in fact, the median earnings of employed wives decreased from \$31,041 in 2007 to \$30,000 in 2009) but rather to a decrease in husband's employment.

Sources: Carmen Walt, Bernadette Proctor, and Jessica Smith, "Income, Poverty, and Health Insurance Coverage in the United States: 2009", Current Population Reports, P60-238, Washington DC: U.S. Census Bureau, September 2010.

Smith, Kristin, "Wives as Breadwinners: Wives' Share of Family Earnings Hits Historic High during the Second Year of the Great Recession", University of New Hampshire, Carsey Institute, Fact Sheet No. 20, Fall 2010.

Consumer Financial Protection Bureau

What it is & What it will do

The main purpose of the new Consumer Financial Protection Bureau (CFPB) is to level the playing field for American families in the marketplace for consumer financial products and services. It will pick up consumer protection responsibilities from several agencies that already exist, such as the Federal Trade Commission. Once the transition is complete, the office will be able to regulate a wide variety of consumer financial services, from online banking to high-interest payday loans.

The CFPB will be an independent agency within the Federal Reserve. The Bureau will have responsibility for regulating: deposits, mortgages, credit cards and other loans, loan serving, check guaranteeing, collection of consumer report data, debt collection, real estate settlement, money transmitting, and financial data processing. It will oversee deposit institutions, mortgage-related activities, private student loans, and payday lenders. Several existing laws will fall under its jurisdiction, including the Unfair and Deceptive Acts and Practices, Truth in Lending Act, Mortgage-related acts, the Real Estate Settlement Procedures Act, some parts of the Electronic Funds Transfer Act, Truth in Savings, the Equal Credit Opportunity Act, Fair Debt Collection Practices Act, and the Fair Credit Reporting Act.

In addition to regulation, the CFPB will have units to conduct research, handle consumer complaints, and community affairs in traditionally underserved areas. A Consumer Financial Civil Penalty Fund will be established within the Bureau to pay victims and fund financial literacy and consumer education programs. There will also be an ombudsman for private student loans.

Building on the idea that the market can reward those who help themselves, the bill also creates within the Bureau:

- Office of Fair Lending & Equal Opportunity
- Office of Financial Protection for Older Americans
- Office of Financial Education
- Office of Service Member Affairs

While individuals remain responsible for their own actions and financial decisions, the Bureau will help to educate consumers so they are making informed decisions regarding their finances.

Sources: Hogarth, Jeanne, "The New Consumer Financial Protection Bureau, Consumers, and Consumer Education", September 16, 2010.

Warren, Elizabeth, "Standing Up the Consumer Financial Protection Bureau", The White House Blog, October 28, 2010.

Is it Time for Retirement?



Even though your vehicle may have served you well for many years, it may be time to consider retiring it from service.

The Bureau of Automotive Repair's Consumer Assistance Program has expanded the vehicle retirement option to include off-cycle vehicles. That means eligible consumers may now retire their vehicle for \$1,000 at any time, for any reason.

Applications for the Consumer Assistance Program are available online at: www.smogcheck.ca.gov.

You can also call the Consumer Information Center at **1-800-952-5210** for more information or to request an application form be mailed to you.

Several air quality management districts in California also operate Voluntary Accelerated Vehicle Retirement (VAVR) programs. Older vehicles that have passed Smog Check may be eligible for these programs. For a list of the programs, go online to the California Air Resources Board at:

www.arb.ca.gov/msprog/avr/avrpeo.htm.

Information is also available online at: www.oldcarbuyback.com.

To be eligible, you must be a resident of a specific county in California, and meet other requirements.

Source: "Smog Check: A Warning Light Could Blow Your Test", Consumer Connection, California Department of Consumer Affairs, Fall 2010, p. 12.

Financial Capability Challenge

2010-11

The National Financial Capability Challenge is a voluntary online test and a classroom toolkit that helps educators teach high school students about saving, budgeting, investing, the safe use of credit, and other important skills critical to developing strong financial knowledge and capability.

Educators can register for the Challenge at: www.challenge.treas.gov/.

The online exam will take place between March 7 and April 8, 2011. Educators can administer the exam to their students at any time within that time frame. Educators and students who score in the top 20 percent nationally and those who are among the top scorers in their school will receive official award certificates.

Officials hope over 87,000 students and 2,800 educators will participate. Please encourage the educators you know to sign up.



Today's Consumer is written primarily for the staff of UC Cooperative Extension. It is now available online. Send comments and requests to me at: Cooperative Extension, University of California, Riverside, CA 92521; 951-827-5241.

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