

CLIENT TELL

CLASS of 2011: Now that You're Book Wise, Get Wallet Wise, Too

By Patricia Nash Christel

This year families cheered on more than 3 million college students as they walked across the stage to accept their diplomas. As these new college grads head into the job market, the good news is that, especially in this shaky economy, education can give job applicants an edge. According to the Department of Labor, unemployment for Americans with college degrees is half that of those with only a high school diploma.

Sallie Mae offers this financial checklist to help new graduates start off on the right track:

Notify your student loan servicers and other important parties every time you change your

address, telephone number or e-mail address. Your loan servicer can help you stay current on your student loans, but only if it can contact you.

Review your student loan payments. Examine information presented during college loan exit counseling sessions and open and read any communications from your loan servicers. Also use a payment calculation. Sallie Mae offers one at www.SallieMae.com/repaymentcalculator. This will help you decide which payment option best fits your financial situation.

Consider accelerating payments, as typically there is no penalty for early payment on either federal or private loans. Student

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FROM THE PRESIDENT
Jim Godfrey

Based on two recent surveys, web and mobile phone-savvy young adults are more at risk of identity theft than consumers from other age groups. In its 2010 Identity Fraud Survey, Javelin found that identity theft involving those age 18-25 typically goes undetected nearly twice as long as fraud targeting older adults.

A 2011 PEMCO Insurance survey found that young adults are less likely to install security software on their electronic devices, sign up for the "do not call" phone registry, or buy and use a shredder than their older counterparts.

These findings make it clear that many young adults need to learn more about ID theft and develop (Continued on Page 3)

FRIENDS DON'T LET FRIENDS DROWN IN DEBT

CCCS of MD & DE is pleased to be partnering with the Delaware Financial Literacy Institute (DFLI) and the Claymont Community Center on a state-wide toll-free hotline (877-246-2026) and new credit counseling office in Claymont, DE. This initiative is part of the "Friends Don't Let Friends Drown in Debt" media campaign that DFLI is spearheading to help DE residents take charge of their finances.

You don't have to be in DE to help friends and family members who have serious money problems. Why not share your experience with those you know and love? Then give them CCCS's toll-free appointment number 800-642-2227 to help them make a fresh start.

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SUMMER CHILDCARE SAVINGS STRATEGIES

If you have school-age children, it's likely that childcare is one of your major expenses this summer. Here are some ways to reduce this cost:

Share care. If friends or family members also need help with childcare, see if you all can work out a schedule to supervise each other's kids. This may help you cut back on hours with a paid caregiver.

Ask about sibling discounts. Many summer camps provide discounts if more than one child in a family attends their program. This could save you up to 10% on camp costs.

Request financial assistance. Many summer camps also offer financial assistance. If no assistance is available, ask about payment plans that may help you spread the cost over several weeks.

Take a tax break. Uncle Sam provides a Child and Dependent Care Tax Credit for families where both parents work or are looking for employment and children are under age 13. Visit www.irs.gov to learn more.

WAYS TO HELP ELDERLY PARENTS PREPARE

If you have aging parents who are still healthy and active, now is the time to help them plan for their future. Otherwise, you may all be faced with difficult decisions down the road.

Choose stress-free times to hold candid, respectful discussions. During these conversations, learn about your parents' current living situation and health. What do they prefer if circumstances change? Also ask about their finances:

Have they written a will? Does someone they know and trust have a copy of it on file?

Have they consulted with a reliable financial planner to develop a long-term plan for meeting their needs as they age?

Is there a family member or close acquaintance they would trust to take on financial responsibilities, such as bill paying or reviewing their bank statements, or to serve as power of attorney if they can no longer handle their finances?

For added insight, include other family members in your discussion or obtain advice on specific issues from a reputable financial expert.

CUT YOUR COSTS AT THE GAS PUMP

Planning to take a road trip this summer? These tips will save you money on the highway as well as at home:

Check your owner's manual: Are you using a higher octane gas than your car requires? If so, change to the lower, recommended octane. Also avoid switching back and forth between octane levels.

Avoid jackrabbit stops and starts. Rapid acceleration and braking can increase your gas usage by as much as 33 percent on the highway and five percent in town.

Pay attention to the speed limit. Each five miles per hour you drive over it costs you an extra 10 cents per gallon in gas.

When you're on the open road, use your cruise control whenever possible. You'll save gas and money by maintaining a steady speed.

Whenever possible lighten the load. The more your car or truck weighs, the more gas it takes to run. Remove heavy objects like baby strollers on trips when they're not needed.

Maintain your vehicle. Under-inflated tires are the biggest cause of lost fuel efficiency. Recommended tire pressure is posted on a sticker on the door pillar or trunk lid or in the glove box.

Check gas stations in your area to see which ones have the lowest gas prices. Also consider, is it cheaper to buy gas near home or at work?

Find ways to consolidate errands and shopping trips. Several short drives taken from a cold start use twice as much fuel as one drive covering the same distance when the engine is warm. Look for areas where stores are centrally located and get most of your shopping done in one trip.

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loan customers who are having trouble making payments also need to contact their servicer immediately to explore other payment options. For example, on federal loans, payments can be limited to 15 percent of discretionary income through the Income-Based Repayment program.

Mark your calendar so you know when the grace or separation period on your student loans ends. This is when you must begin making principal and interest payments on your student loans. For example, for federal Stafford loans, the grace period is six months after graduation.

Pay a little extra. By paying more than the minimum on your student loans every month or whenever you can, you can lower the overall cost of your education loan.

Know what you owe so you can develop a clear view of your existing debt, including student loans, credit card balances or car loans. Make a budget that allows you to meet your obligations and pay down your highest interest rate debt fastest.

Start building your savings. Start to set aside extra money to build up a rainy day fund,

plus begin saving for retirement. Dollars saved in the early years have a longer time to accrue interest, so it's especially important to start this habit early. In addition, be sure to maximize retirement matching funds provided by your employer.

Ask for help. Talk to your parents, seek assistance from your alma mater's career or financial aid office, call your loan servicer, and get in touch with an accredited nonprofit credit counseling organization.

Celebrate your successes. Set financial and career milestones and celebrate as you achieve your goals.

The good news is that the vast majority of students successfully repay their student loans especially because college graduates tend to enjoy higher salaries and experience higher levels of employment. Good luck!

Patricia Nash Cristel is Managing Director of Corporate Communications at Sallie Mae, Newark, DE. Sallie Mae is the nation's No. 1 financial services company specializing in education. Since its founding almost four decades ago, the company's saving programs, planning resources, and financing options have helped more than 31 million people make the investment in higher education. To learn more, visit SallieMae.com.

strategies to safeguard their identities. Here are a few suggestions to start the ball rolling:

Think Privacy First. On Facebook and other online sites, adjust your privacy settings so that they restrict who gets to see your personal information. Choose strong passwords and install firewalls and security software on your electronic gadgets. Then make sure to update these as often as is needed.

Keep Your Info Secure. Identity theft may be caused by people who you already know. If you share a dorm or an apartment with others, don't leave personal information such as PIN numbers, bank statements, or your Social Security number lying around. Never confide your PIN number or loan your credit cards to friends or neighbors.

Review Your Accounts and Credit Reports. Regularly check for unfamiliar transactions on your online bank and credit card accounts. Also access annualcredit.com to request and routinely review credit reports from the three major credit reporting companies. You are entitled to one free credit report per year from each company.

Learn More. Check the FTC Deter, Detect, Defend website (www.ftc.gov) or complete CCCS's e-learning identity theft course (www.cccs-inc.org) — it's interactive and free.

Ask a Counselor

Q: Why is it necessary for me to send CCCS my creditor statements each quarter?

A: For debt management plans to work, CCCS and its clients have to function as partners and stay in close contact. We need to receive your quarterly creditor statements to review and make sure the interest rates are correct and that payments are being posted to creditor accounts, so that you continue to receive the concessions you've been offered.

We check in from time-to-time to see how things are going and if you have questions. You also can call us at **1-800-571-2227** anytime issues arise. We are here to help and support you.

PARTING THOUGHTS

Celebrate! Did you know that this is CCCS of MD & DE's 45th Anniversary? Recently we were pleased and surprised to receive citations from the MD State Senate and Governor acknowledging our years of service and commitment to financial literacy. We want to share these honors with you. We know how much time, effort, and discipline it takes to make it through a debt management program. You are the BEST.

Check Out e-Learning. CCCS now offers free e-learning courses on its website (www.cccs-inc.org). To learn more about Checking Account Management or Identity Theft, access the Resources section on our site. The more you learn, the more you grow!

Become a FAN. Why not join us on Facebook at CCCS of Maryland and Delaware.? Then post a comment. We hope to hear from you.

Ways to PAY: To make your monthly DMP payments, use ACH EASY PAY, pay online, or use a money order. Please fill money orders out fully. Print *CCCS of MD & DE* in the "Pay to Order Of" blank. Place your address and phone number under your signature, and put your client number in the corner of the money order. Sign the money order and include the top part of your statement. Keep your money order receipt.

Our Mission

To promote economic self-sufficiency to individuals, families and communities through financial education and counseling.

Helping People Help Themselves Through Education,
Financial Counseling & Debt Repayment.

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