

INSTITUTE FOR
FINANCIAL LITERACY®



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FRESH START™ TIMES

LETTER FROM THE EXECUTIVE DIRECTOR

Greetings from Portland, ME:

Here in the northeast, we're fortunate to have a lovely fall season filled with colorful foliage and cool, refreshing temperatures. But as we enjoy this invigorating season, we're also reminded that winter cold and home heating bills are not far behind!

This issue of *Fresh Start™ Times* provides tips for helping you lower your monthly heating bill, including simple, commonsense measures like: wrapping your water heater in an insulating jacket and closing doors to rooms that are not used. You can find several excellent resources about energy efficiency written for consumers by contacting the Federal Trade Commission (www.ftc.gov) and the U.S. Department of Energy (www.energystar.gov).

In this issue we also introduce readers to another of our stellar counseling staff members with whom many of you have probably worked to complete your credit counseling or debtor education. And we also outline steps to help you rebuild credit after bankruptcy.

Aside from all the good information we've provided in this newsletter to help you be a smart consumer, I'd like to say a brief word about spending over the upcoming holidays: Restraint! Keep in mind that gift-giving can spiral out of control very easily, leaving many good folks with a huge credit hangover after the New Year. Make a pledge to yourself to avoid that trap this year. Give from your heart, not from your wallet.

In closing, please remember that we are available to answer questions and respond to any comments you may have. Let us know what you'd like to read in this newsletter! You may contact us at newsletter@financiallit.org.

Sincerely,

Leslie E. Linfield, Esq.
Executive Director/Founder
Institute for Financial Literacy®

“BUDGET UP” AGAINST WINTER CHILL!

Winter heating bills can strain many family budgets. One way to minimize the bite is to get on a **budget billing plan** through your utility or oil company provider. Under this arrangement, your provider will add up the cost of energy you use in one year and divide it into equal monthly installments. At the end of the year, adjustments are made so that you pay any outstanding balance due, if you used more energy than you were billed for, or you receive a credit for any overpayment.

If you're on a fixed or limited income, or have trouble paying heating costs, you can also look into **fuel assistance programs**. Contact your state's energy office for more information.

ENERGY-IZING YOUR HOME

Conducting an **energy audit** of your home can help you detect areas of energy waste and monitor the efficiency of your current heating system. Check with your utility company to see if they offer free or low-cost audits; or conduct your own home energy audit using instructions from the U.S. Department of Energy. (See instructions at <http://hes.lbl.gov/>)

Here are additional tips for saving on energy costs provided by the Federal Trade Commission:

- Wrap your hot water heater in an insulating jacket.
- Schedule an annual tune-up for your heat pump, furnace or boiler. (Your utility company may provide this service.)
- Hire a professional to seal and insulate leaky ducts, and to ensure that the airflow distribution system serving your heating equipment is operating at peak efficiency.
- Clean or replace filters on forced-air furnaces, seal flues in fireplaces you don't use, install drapes or some other covering on windows, and seal holes around plumbing and heating pipes.
- Install a programmable thermostat that will automatically lower nighttime temperatures.
- Check caulking and weather stripping, and repair where necessary.
- Close your foundation vents in the winter if there's a crawl space under your home.
- Close the doors to rooms that you don't use.
- Prune shrubs that may block airflow to your heat pump.
- Install ceiling fans for air circulation and heating efficiency in winter.
- When buying a new furnace, boiler, heat pump, water heater or other home appliance, consider a high-efficiency model. You can compare energy efficiency by checking the black and yellow EnergyGuide labels on most major appliances. In addition, the **EnergyStar** logo will help you identify high-efficiency appliances.
- Check your attic, attic stairway, attached garage walls and basement to make sure your home is insulated according to Department of Energy guidelines. The higher the “R-value” on insulation, the greater the insulating power.
- Shop around for the best prices on oil and gas.



MEET THE COUNSELOR: WILLIAM (BILL) L.

Among our growing staff of credit counselors, Bill L. is a veteran in more ways than one. Before joining the Institute in 2005, Bill worked for the IRS for 30 years in field collection, retiring in 1998. His IRS work gave him valuable insight and experience dealing with taxpayers who were in very stressful tax-liability situations. As a result, Bill not only brings an astute level of financial knowledge to the clients he serves, he also brings a wealth of compassion.

Bill explains that he enjoys his counseling work at the Institute because: "I like to think we're reducing the stress level of clients by helping them comply with the law in a non-intimidating and friendly way." Outside of work, Bill enjoys hiking, gardening, reading and traveling – He and his wife recently traveled to Italy with family members.

NEWS AND TIPS

Rebuilding Credit following Bankruptcy

Many people who go through bankruptcy swear never to use credit again. But the reality is that our economy runs on credit... While it's important to avoid misusing credit, using credit wisely following bankruptcy can help rebuild your good name. Some ways to help rebuild credit are: **\$\$ Pay debts not discharged in bankruptcy on time**... Remember, newer credit history carries more weight than older history on your credit report. So paying back remaining debts on time after bankruptcy will help rehabilitate your credit record.

\$\$ Apply for a loan with a co-signer... Having a co-signer will improve your chances of being accepted for a loan because the lender's risk is reduced. But only take the loan if you are absolutely sure you can repay on time!

\$\$ Get a secured credit card... This is a type of credit card that's attached to a savings account into which you deposit money. Your line of credit is typically a percentage of the amount deposited in the savings account. Be sure to check out the fees and interest rates, which can be higher than on other types of credit cards.

DRAWING QUESTION

In every newsletter we will be presenting a question related to financial literacy education to give our readers the opportunity to win one of our financial literacy education programs. This newsletter's question is as follows:

How many parts or categories are there to a monthly spending budget?

Please mail your answer along with your name, address and email address to:

Drawing Question
Institute for Financial Literacy
PO Box 1842
Portland, ME 04104

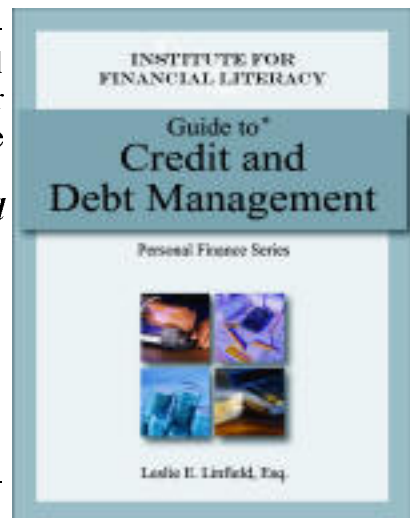
Answers must be received no later than November 17, 2006. This newsletter's drawing winner will receive a copy of the **Guide to Credit and Debt Management**. Void where prohibited.

INSTITUTE FOR FINANCIAL LITERACY
PO Box 1842
Portland, ME 04104

INTRODUCING...
GUIDE TO CREDIT AND DEBT MANAGEMENT

The *Guide to Credit and Debt Management* is the latest consumer education publication issued by the Institute for Financial Literacy®. This guide will show you how to gain control over your credit and debt, whether you're just starting out or have accumulated big balances on your credit cards. Using humor, candor and step-by-step instructions, the *Guide to Credit and Debt Management* will help you:

- Learn the basics of credit use
- Understand the law governing credit
- Interpret credit reports and FICO scores
- Understand the different forms of debt and what a "healthy" debt load is
- Develop strategies for debt reduction while avoiding fraudulent schemes



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