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Tired of Pinching Pennies?

It's no secret that times have been pretty tough for most Americans over the last couple of years. Between foreclosures, bankruptcy, and medical expenses, many folks find themselves feeling like they're drowning financially every month. When times are tough, we start to pinch those pennies. But what if you've been pinching for the last couple of years? It can become very tiresome, and you may be suffering from frugal fatigue.

Frugal fatigue happens when you feel like you just can't stick to your strict budget anymore. You may daydream about breaking free and going on an extra large shopping spree. It's definitely understandable the way things have been lately, and if you've felt the fatigue recently you're certainly not alone.

According to a recent survey by the National Foundation for Credit Counseling, two-thirds of American consumers feel that they're sick of having to question every dollar that they spend, but that they have no choice. While health care costs and gasoline prices have been rising, income levels have remained relatively flat. These factors combined can leave you feeling the pressure constantly.

So what can you do to combat frugal fatigue? If your income is not as much as you'd like, ask yourself if the problem is temporary or permanent. If temporary, you may be able to pinch pennies for a few more months until your income increases. If permanent, big changes can be very difficult emotionally. Remember, the faster you are able to change your life and habits, the faster you'll be able to gain more financial freedom.

Tips

Summer is here and with it comes an American rite of passage, the cookout. With the price of groceries steadily on the rise, hosting a summer barbecue can become a costly venture. Use these tips to make sure your summer get together doesn't break the bank.

- Ask guests to bring their own meat (or something else). Many folks today have different diets and meats that they don't eat, this way you won't be preparing dishes that a lot of guests won't eat. If you feel it's rude to ask guests to bring their own meat, you can ask them to bring something else like drinks or a side dish.
- Purchase bone-in cuts of meat. The cost of the meat will be less, and the bone adds flavor as well as keeping the meat from drying out on the grill.
- Stock up on charcoal. Always buy charcoal in bulk when it's on sale, because it doesn't expire and whatever you don't use you can save for next year.



Q: I received a credit offer for a "professional" credit card. I've never heard of that before and wasn't sure if this was a legitimate offer.

A: A "professional" credit card is otherwise known as a small-business or corporate credit card. While a professional credit card is legitimate you need to be aware that it is not your average credit card. It's a card for businesses and business cards generally are not covered by the CARD Act.

What does this mean to you? An issuer can hike an interest rate without notice. You could be hit with costly over the limit fees and no one would have to ask your permission first. If you carry multiple balances with different interest rates, your payment would not be applied to the highest rate first, costing you more money in interest. Also, issuers don't have to allow 21 days after a billing statement is mailed before a payment is due.

Unless you run a business or professional practice, it's best to steer clear of these credit cards.

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Be Wary of Medical Credit Cards

Have you ever used a credit card to pay a medical bill? With the recent and upcoming changes in insurance and the health care system, chances are you probably have. Medical costs are rising rapidly and don't look to be slowing down anytime soon. Major banks and creditors are now credit cards for medical procedures. Although these cards can be an option for some, they can have just as many pitfalls as regular credit cards.

A few major banks are issuing medical credit cards as an option to pay for certain elective procedures that are not usually covered by insurance. Cosmetic surgery, dental procedures, lasik surgery, and even some veterinary procedures are common uses for medical credit cards. The cards are not used for continuing medical care, just for one procedure.

The companies who issue these cards do not market them directly to the consumer. Instead the companies target doctors and other health care professionals to offer the cards to consumers as another payment option. Consumers usually like these cards because they can spread payments out over many months. They can also use the cards at multiple healthcare providers. Healthcare providers like the cards so they do not have to deal with billing issues and expenses.

While medical credit cards have been gaining popularity, they are also receiving increased scrutiny from patient advocates. Medical providers have been accused of receiving financial incentives to get patients to sign up for cards. According to critics, some patients are led to believe they are signing up for a payment plan with their provider. Also, in some cases the

potential impact on a patient's credit history and score are not usually discussed. Some patients might not select this option if they knew they were signing up for a credit card with possible interest, fees, and penalties.

Medical credit cards are still a relatively small percentage of all of the options used to pay for medical procedures. If a medical provider offers you a medical credit card, be sure to know your options. You may have alternatives that might be a better financial decision.

First ask about all payment options that your provider offers. You may be able to negotiate a lower fee right off the bat. If not, many medical providers offer their own payment plans that often do not include the high interest and penalties typically associated with a medical credit card. Also make sure that if you have a multi visit procedure that you are being charged by the visit, and not having the entire procedure charged onto a credit card at once.

Be sure to ask if you will be paying your provider directly or through a third party. Remember that you don't have to make an immediate decision. Read all credit agreements thoroughly, especially the fine print. Many medical credit cards have teaser rates that expire and the interest rate increases if you miss only one payment.

If you're considering a medical credit card, remember to educate yourself on available options and make the best decision that's healthy for your body and your bank account.

Resources

www.creditcards.com
compare credit card offers

www.creditcardguide.com
compare credit card offers

www.bankrate.com
compare national consumer interest rates

<http://www.ftc.gov/bcp/menus/consumer/credit.shtm>
FTC website on credit and loans

The Advantage Challenge

Advantage CCS challenges you to ... Check out free summer fun activities in your area. A lot of cities, townships and municipalities have free concerts and other events. Most of these events are free or they only ask for a small charitable donation. A free summer event can be just as much fun for the family as buying expensive event tickets. Contact your municipality or city to see if they have a summer events calendar.

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