

- ▶ Holiday layaway programs
- ▶ What is a secured credit card?
 - ▶ Preparing for winter

Winterizing Your Home

November is upon us and that means winter is right around the corner. Before the temperatures get too cold, there are some things to do to get your home ready for winter.

Drafty doors and windows can unnecessarily increase your home heating costs. If your home has older windows, consider purchasing a window insulator kit. You'll affix plastic sheeting to the inside of the window to block some of the cold air from coming in.

Now is the time to clean your gutters. Get rid of the leaves and debris that have accumulated over the past few months and use a scraper to thoroughly clean the gutter. After the gutters are cleaned out, give them a squirt with the hose to wash away any leftover dirt. Cleaning gutters is a dirty job, but it will prevent ice dams from forming and causing water damage inside your home.

It's also a good idea to have your furnace checked before the weather turns cold. During the check, the inspector will likely change your furnace filter and check to make sure everything is working properly. The check will likely run about \$100, but if something is wrong, it will save you an emergency fee in the future.

If you have a ceiling fan, reverse the fan's direction once your heat is on. This will help push the warm air that gathers at the ceiling to the bottom of the room. The blades should be turning clockwise for winter.

Before the snow really starts to fly, survey your property. Are there any low hanging branches that could come down when weighted with heavy snow? Are the handrails to your steps in good shape and usable when walking up snow covered steps? Do you need to replace the bulb in your outside light? Take care of these maintenance items now and save yourself from fixing them in the bitter cold.

Tips

There are some practical ways to avoid sky-high home heating costs. Following these simple steps could help keep your heating costs in line this winter.

- Keep thermostat at 68 degrees when you are home, but turn it down at night and when you're not home
- Make sure the area around your thermostat is clear and free from drafts or heat from lighting fixtures
- Insulate your attic to keep your home warmer in the winter and cooler in the summer
- Close your drapes at night to reduce heat loss through the windows
- Use bathroom fans sparingly. They pull a significant amount of heat out of your house
- Keep the damper in your fireplace closed when you're not using the fireplace and save even more energy by installing glass doors



Q: What is a secured credit card and what are the benefits?

A: A secured credit card is a card where your credit limit equals the amount of cash deposited into a savings account. These cards are good for someone who might not have a good credit rating, but is trying to improve it and increase their credit score. If you default on the card, the bank then takes the cash from your savings account.

If you open a secured card, make sure to ask the bank if they report it and your payments to the three major credit bureaus (Experian, Equifax, and TransUnion). If you're making your payments on time each month, it should reflect positively in your credit score.

If you make your monthly payments on time for about a year, you can request that the bank transition you to an unsecured credit card. You'll get your cash deposit back, and can continue to build credit with the card. Just be sure to read the fine print before signing any agreement to make sure the interest rate won't increase if the card becomes unsecured.

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Taking Advantage of Layaway

It's already November and the holidays are quickly approaching. If you have not set aside as much money as you had intended for holiday shopping, it might be a good idea to take advantage of store layaway programs for your shopping.

With the downturn in the economy, store layaway programs are again becoming a popular alternative for consumers. If you haven't saved enough money for your holiday shopping, using layaway for gifts might keep you from using credit cards.

Store layaway programs first began during the Great Depression, but disappeared in the 1980s with the easy availability of retail store credit cards. With creditors being more selective about to whom they give credit cards, layaway could be an option for holiday shopping.

Not all stores offer layaway, but most of the major retail stores now do, at least for the holiday shopping season. Using layaway is not free. In most cases there is a service charge, usually around \$5.00. Most layaway contracts last eight weeks and require between a 10% and 20% down payment. Usually, there is a minimum amount you have to spend for your items to be eligible for layaway. In some cases, the purchase must total \$50.00 and items costing less than \$15.00 cannot be put on layaway.

As with any service, it's important to read the fine print before you sign the contract. Is there a cancellation fee and if so, how much? How often are you required to make payments? Some stores require payments on items every two weeks. How long will the store hold your layaway items? If you're shopping the day after Thanksgiving, can you put

items on layaway? At one major retailer, the answer to that question is no.

If you are going to use layaway this holiday season, it's a good idea to have a plan. Before you start your shopping, make a detailed list of who you are shopping for, what you plan on buying and how much it will cost. Total the cost and add \$5.00. Divide that number by 5. Your result is what the down payment and what the twice monthly payments will be. For example, if you plan on spending \$500, plus the \$5.00 service charge, a 20% down payment would be \$101. If you're on an eight week plan, you would need to pay \$101 every other week or \$202 a month.

In some instances, layaway programs are also available online. Merchants are contracting with online companies to manage layaway programs and store merchandise. The consumer shops through the online layaway site, makes purchases and agrees to have the payments deducted directly from their bank account. The purchase totals usually include taxes and shipping costs. Most e-layaway programs are available year round and the consumer may be able to adjust the number of payments to be made. However, be wary. There should be no charge for the consumer to register for the service and make sure you read the terms and conditions before signing onto the program.

While layaway is a good alternative to using credit cards for your holiday shopping, it still requires some thought and planning. The best solution for holiday shopping remains setting enough money aside and using cash for your purchases.

Resources

www.elayaway.com - online layaway site

www.bankrate.com - more information on secured credit cards

www.practicalmoneyskills.com - information on budgeting for the holidays

The Advantage Challenge

Advantage CCS challenges you to...use some of the tips for winterizing your home and make an effort to reduce your home heating costs this winter. In addition, try lowering the temperature of your thermostat a few degrees or purchase a programmable thermostat to adjust the temperature when you're not home. Track the changes you make and compare this winter's utility bills with last winter's. Share your results with hmurray@advantageccs.org

Advantage

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