



New York State Comptroller Thomas P. DiNapoli

Your Money

New York

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Office of the State Comptroller
110 State Street, Albany, NY 12236

www.osc.state.ny.us
yourmoney@osc.state.ny.us

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YOUR MONEY ALERT!

The State is holding more than **\$8 billion** in unclaimed funds, including forgotten bank accounts, utility deposits, insurance payments, stocks and bonds. To see if Comptroller DiNapoli is holding your money in Unclaimed Funds go to www.osc.state.ny.us.

Message from Comptroller DiNapoli

Welcome to the spring edition of *Your Money New York*. This newsletter is part of my new financial knowledge and education initiative at the Office of the State Comptroller. This initiative will promote the understanding of financial matters in New York State, and will help connect you to available programs and resources that can help you achieve your financial goals.

Your Money New York is designed to provide access to useful and reliable financial information. It will help New Yorkers deal with challenging economic conditions and the complexity of managing money. It also will identify steps you can take to secure a strong financial future for yourself and your family.

These are very challenging times. In 2007, national housing prices declined for the first time since the Great Depression. Gas and grocery prices are increasing faster than incomes, and personal savings rates are at historically low levels. The credit crunch is increasing the cost of borrowing money, and people are having difficulty meeting day to day expenses. We need to work through these challenges thoughtfully.

Now is the time to start living within our means – to make the difficult decisions to reduce borrowing, eliminate expenses where we can and plan for the future. With the right resources and information we can set ourselves on a steady financial course and provide our children with the opportunities and choices they deserve.

I will do everything I can to help make a strong, bright economic future a reality for all New Yorkers.

Sincerely,

Thomas P. DiNapoli
State Comptroller

Getting a Handle on Credit Card Debt

“If you owe \$5,000 on a credit card with 18% interest and you only make the minimum payments, it will take 26 years and cost over \$7,000 in interest payments alone to pay off the debt.”



A recent survey by the American Bankers Association found that more Americans are having trouble making mortgage, vehicle, and credit card payments. The percentage of loan payments at least 30 days past due is at the highest level in almost 16 years. If you are part of the 60 percent of Americans carrying a credit card balance, minimize your debt costs with the following tips.

Always pay your bills on time. This is a critical part of keeping your debt costs as low as possible because it directly impacts your credit score. Also, card companies are shrinking grace periods and increasing late fees and other charges. Some credit card companies use a “universal default” policy where they monitor your credit report and use *any* late payment they see, on other credit cards, auto loans, mortgages, etc., as a reason to increase your interest rate—even if you always paid that bill on time.

Pay more than the minimum. Paying as much as you can above the minimum will make a big difference in how long it takes to pay off your debt. If you owe \$5,000 on a credit card with 18% interest and you only make the minimum payments, it will take 26 years and cost over \$7,000 in interest payments alone to pay off the debt. In contrast, if you set aside \$250 per month to pay down this debt, it will take just 2 years and cost \$989 in interest.

Monitor interest rates. Your interest rate makes a big difference in how much your debt will cost you over time. Shop around for lower interest rates, and be aware of special conditions or fees associated with low promotional rates. Try to negotiate a lower rate with your credit card company. If you owe \$10,000 on a credit card and pay \$250 per month, an interest rate of 24% will cost you \$20,400 and take 6 years and 9 months to pay off. By comparison, an interest rate of 8% will cost \$11,700 and take 3 years and 11 months to pay off.

Know your credit score. Credit scores range from 350 to 850. The higher you boost your credit score, the better interest rates and benefits you will receive. You are entitled to a free copy of your credit report (see Resource Guide, page 4). You should review this for accuracy, look for any sign of identity theft or fraud, and report any errors. Do whatever you can to boost your credit score—if all Americans increased their credit score by 30 points, consumers would save over \$20 billion each year.

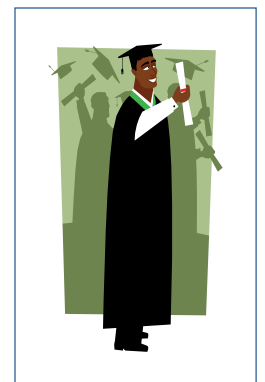
It's Never Too Late to Start Saving for College

Is there a person in your life that you hope to see go to college? You can help make that dream a reality by taking advantage of New York's 529 College Savings Program. This program helps you build college savings and save money on your taxes at the same time.

Guidelines. You can open an account with just \$25. If your employer offers payroll deduction, contributions can be as low as \$15 per pay period. All you have to do is designate a single beneficiary for each account, which could be a child, a family member, a friend or even yourself.

Investments. The Program's Direct Plan offers 15 investment choices—three age-based options that automatically adjust your money over time to more conservative investment allocations or 12 individual portfolio options that you may adjust yourself, according to your own strategy, risk tolerance and needs.

Tax Benefits. New York taxpayers can deduct up to \$5,000 in contributions each year from State taxable income. Married couples filing jointly may deduct up to \$10,000 annually. Qualified withdrawals for education costs are exempt from both federal and State income taxes.



In Recognition of Earth Day: Seven Ways to Go Green and Save Money

Saving the planet can save you money! Here are seven earth-friendly actions you can take to help the environment and keep more money in your pocket. Try one--or all seven--and see how much green you can save.

1. **Budget your travel.** Do your wallet *and* your heart a favor: walk, bike or jog instead of drive. Multi task trips to minimize travel time. Use mass transit or carpool and take advantage of any carpool incentive programs your employer may offer to save money. If U.S. commuters carpooled once a week, we would save 7.7 million gallons of gas and \$25 million per year.
2. **Think green when shopping.** Choose products that have less packaging, fewer chemicals and use less energy. Buy Energy Star appliances to save up to 75% in energy use and check for available rebates from the State or your local utility. Buy locally grown food, use reusable shopping bags, and buy in bulk to minimize packaging and save money. Use less expensive recycled ink cartridges--each remanufactured cartridge conserves about three quarts of oil.
3. **See the light.** Today's low mercury compact fluorescent bulbs (CFLs) are four times more efficient and last ten times longer than incandescent bulbs. Light Emitting Diode (LED) lights are also extremely energy efficient and have proven long lives. If every home replaced just one incandescent light bulb with a CFL bulb, the US would save over \$600 million per year in energy costs and enough energy to light more than 3 million homes. However, because CFLs contain small amounts of mercury, be sure to dispose of bulbs properly.
4. **Reduce your use of plastic.** Use tap water and buy a water purifier (if necessary) for your home faucet to minimize your purchases of bottled water. If the water we use at home was to cost the same as a typical bottle of water, our monthly water bill would average \$12,000 per person.* Use a cloth bag for groceries; only 5 percent of plastic bags are recycled. A recent marine survey estimated that the mass of plastic swirling in the Pacific Ocean could be twice as large as the continental United States.
5. **Be an energy miser.** Some electronics and appliances, including computers and televisions, use energy even when turned off. Lower your energy bill by up to 5 percent by unplugging them when not in use. Or plug electronics into power strips and switch off when not in use. Nearly 20 percent of energy used by some appliances is spent while not in use.
6. **Conserve hot water.** Water heating accounts for 14 percent of home energy consumption. To lower your energy bill up to 5 percent, lower the temperature to 120 degrees and wrap an insulation blanket suitable for the heater over it. Save money by washing more laundry in cold water – 85 to 90 percent of the energy used in washing clothes goes to heating the water. Consider installing an on-demand water heater.
7. **Think before you print.** To reduce paper usage, energy, ink and toner costs, only print what you need. Narrow your margins, use recycled paper and print in color only when absolutely necessary. Copy and print double-sided. Paper accounts for up to one-third of municipal landfill waste.

*Assumes \$1 for a 16 ounce bottle of water and average daily water use at home of 50 gallons per person. (USGS).



“If the water we use at home was to cost the same as a typical bottle of water, our monthly water bill would average \$12,000 per person.”



“Save money by washing more laundry in cold water – 85 to 90 percent of the energy used in washing clothes goes to heating the water.”

Five Smart Ways to Stretch Your Tax Refund Check

Are you expecting to receive a tax refund check? Here are five ways to stretch the value of that money and set yourself on a path to financial security.

1. **Catch up on any late payments.** Contact your creditors, explain your situation and ask if they would waive or lower any penalties, late fees or finance charges. Sometimes they do.
2. **Pay down high interest debt.** Check your credit card statements and pay down those with the highest finance charges first. Call your credit card company and request a lower interest rate.
3. **Build an emergency fund.** Let the bank pay you to save. Find a safe savings vehicle that pays interest on your money and work towards saving enough to have at least three months of living expenses.



4. **Open or add to a retirement or college savings account.** Thanks to the tax advantage of these accounts and the benefit of compound interest, saving a little can add up to a lot.
5. **Make an extra house payment.** By paying an extra \$100 per month on a typical 30 year \$150,000 mortgage, you can take 7 years off the loan and save over \$50,000 in interest costs.

Each of these steps can save you money and improve your future financial flexibility. If your refund check is particularly large, consider lowering your withholding and receiving more of your money in your regular paycheck. You could be earning interest on that money through the year.

Resource Guide

You can learn more about the topics discussed in this newsletter from the following Web sites:

Credit Cards:

Where can I compare interest rates and fees?

www.banking.state.ny.us/intrate.htm

How can I get my free annual credit report?

www.annualcreditreport.com/cra/index.jsp

Where can I go for additional help and information?

www.mymoney.gov/

Unclaimed Funds:

What kinds of funds become unclaimed, and how do they become unclaimed?

www.osc.state.ny.us/ouf/faq.htm

How do I find out if funds are due to me and how to file a claim?

www.osc.state.ny.us/ouf/reqdoc.htm

College Savings Program:

How do I start saving for college?

www.osc.state.ny.us/college/index.htm

Tax Refunds:

Where do I go for answers to my questions about my New York State STAR rebate or tax refund?

www.tax.state.ny.us/

Where do I go for answers to my questions about my federal rebate or tax refund?

www.irs.gov/individuals/index.html

Where can I learn more about Refund Anticipation Loans?

www.banking.state.ny.us/brral.htm

Go Green/ Save Money

Where can I find available programs?

www.getenergysmart.org/

If you have any comments or suggestions for future topics to be addressed in this newsletter, we want to hear from you!

Comptroller Thomas P. DiNapoli

E-mail: yourmoney@osc.state.ny.us

Phone: (518) 473-4333

Office of the State Comptroller

110 State Street

Albany, NY 12236

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