

# Consumer Alert



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Consumer Affairs Public Information Division

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Alice Brooks assists a consumer.

## In this Issue:

- How to get those advertised rebates
- Alternative ways to make money
- SCDCA employee honored

## Disc-**RECESSION**-ary spending

### How to protect your budget during hard times

Recession strikes fear in the wallets of many consumers, but the economic forecast has been stormy for some time.

Consider:

- Incomes aren't growing the way they used to. In fact, when adjusted for inflation, median incomes are below where they were in 1999, the Census Bureau tells us.

- Inflation and health care costs chew up a bigger part of what we earn.

- More people experience wider swings in their income, expert Jim Jubak explained recently in "Where did our financial stability go?"

This is evidence of a generally hostile attitude towards consumers that should have you thinking long-term behavioral change, rather than a short-term economic band aid to ride out the current recession.

It's more important than ever to get the basics of money management right.

**It's the big stuff that leads to bankruptcy.** Much of the advice available for consumers focuses on the small things - giving up Starbucks, clipping coupons, shopping around for discounts, et cetera - which are great habits, but in reality it's the major purchases in life that most often send people down the dark road to Brokeville.

Major purchases such as automobiles and housing are the main culprits. If your mortgage or rent payment eats up more than 30% of your gross income or your

vehicle costs you more than 10% (including financing, repairs and gas), you're going to have a tough time making ends meet.



In good times and bad, it's always smart to be careful with your money.

### Confusing needs and wants.

This one knows no boundaries, rich or poor. Figuring out what we really need, and how to get it for less, can help get your finances under control.

If you find yourself saying, "I need a (whatever)," stop a moment and consider whether you really do. You probably don't have to live without it forever - just long enough to truly get on your feet.

Our needs are few, and they include shelter, food, clothes, transportation and companionship.

Our wants are endless and quickly will transform a need like clothing (which can be Goodwill finds or hand-me-downs) into an extravagance such as a new suit.

**Considering only the monthly payments.** Many businesses thrive on you ignoring the total amount of the purchase and instead focusing

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## SCDCA honored with NACAA ACE Award

The South Carolina Department of Consumer Affairs (SCDCA) was recently awarded the ACE Award at the annual National Association of Consumer Agency Administrators (NACAA) conference held in Dallas, Texas, last month.

The NACAA *Achievement in Consumer Education* (ACE) Award recognizes the accomplishments of consumer protection and advocacy initiatives across the country.

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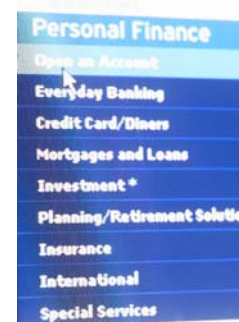
## Online banking is safe, just be smart, careful

Bank customers who are afraid or confused about banking electronically - using a debit card, the Internet, an ATM, telephone or similar device - could be missing out on some convenient, time-saving ways to handle their finances.

Here's information that can help you overcome your technophobia.

Federal laws and rules may limit your liability for unauthorized transactions and set procedures for correcting errors. The Electronic

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# Get your rebate!

## How to make sure you get what they promise

If you've ever bought an item on the premise that it eventually will be a bargain after all the rebates come back, you know the process is far from simple and streamlined.

In fact it can often be frustrating, needlessly complex, and in some cases, a scam.

However, when used correctly rebates are an excellent way to save money, particularly on large purchases such as television sets and computers where it's not uncommon to see rebates of \$150 or more.

Retailers and manufacturers like to use rebates to give the impression of a great deal, thereby creating a sense of urgency to buy.

The *catch* is there are strings attached to receiving your rebate that are often not very well publicized in advertisements or store displays. As usual, it's all in the fine print.

And, that is where you get what they call in the industry, "breakage," for customers that fail to follow through with the rebate.

Companies know statistically breakage will more than compensate for the consumers who do follow the guidelines and receive their rebate.

Though some companies have gone to Internet submission of rebate information, many still insist on customers filling out forms, making copies of receipts or cutting items off of the product box and then mailing all of this information to the company in order to qualify for the rebate.



Rebate money doesn't just fall from the sky, you'll have to work for it, which is why before making a purchase promising a big rebate ask yourself: *Will I really do everything required to receive this rebate?*

And, after all of that, you can expect a lengthy wait.

Some rebate offers are more complicated, but most would not be considered a huge burden for the consumer. However, the fact is most people will not go to the trouble. According to some reports, only 10-30 percent of rebate offers are actually received.

In some cases there are reports of companies failing to follow through with rebate promises.

This is in large part due to the fact that most companies outsource rebate offers to fulfillment companies, which have been known to advertise low rebate redemption rates in their sales pitches to companies.

### Here are some basic guidelines for getting your rebate:

1. Ask yourself if you're really going to go through with getting the rebate. If the rebate is the primary reason you're choosing the product,

and you know you're unlikely to go through with sending in the rebate, don't buy it! Wait for it to go on sale.

2. Before making a purchase make sure you are buying the product that qualifies for the rebate. Often, only a certain model will qualify but if you upgrade to a slightly different model you may lose the rebate.

3. Get all needed paperwork for the rebate before you leave the store. Ask for copies of receipts.

4. Make a copy of all paperwork to be mailed when applying for a rebate. It's the only record you have if something goes wrong.

5. Consider sending paperwork for larger rebates by certified mail, or getting a delivery confirmation so you can verify the form was sent when you say it was.

### Did you KNOW?

In many cases you can now track your rebate online while it's being processed. Websites [Myrebates.com](http://Myrebates.com), [Wheresmyrebate.com](http://Wheresmyrebate.com), and [rebatestatus.com](http://rebatestatus.com) let you know who is handling the rebate and how much longer you can expect to wait.

6. Follow rebate directions exactly. If they tell you to submit a 3" x 3" card with your name on it in blue ink, then that's what you do. Don't give them a reason to disqualify you.

7. Note the amount of time the company says it will take to process the rebate. Companies are required to give you an estimate for when your rebate check should arrive.

8. If the rebate is not received within the allotted time frame -- complain. The retailer is responsible for delivering the rebate check.

## CONTINUED: How to protect your budget during hard times

only on the monthly payments. Payday lenders, rent-to-own businesses, and car dealerships want you to focus on the short-term payments, not the long-term expense.

**Failing to track where the money goes.** In tight times it's even more prudent to know exactly where every cent goes. There are many programs you can use to help keep track of your finances, but pencil and paper can work just as well.

**Carrying credit card debt.** You probably didn't mean to do it, but it tends to happen with credit cards.

Normally you pay the bill in full, but one month you can't and the next thing you know it's maxed out. If you can't pay your bill in full, stop using credit. Pay far more than the minimum, and come up with a plan for paying it off entirely before you pick up the cards again. This is even more important in recessionary times, when a major setback could require use of your cards to get by in the short term.

**Get smart - learn a new skill or add to your current skill set to make yourself more "layoff proof."** No one is indispensable, but by learning a new skill you can help to insulate yourself if your company begins layoffs. Also give thought before changing jobs, as many companies have a last in, first out policy for layoffs.

**Slash your spending.** Draw up a budget, cutting out unnecessary luxuries, and stick to it. The usual suspects are a great place to start, including unused gym memberships, cable or satellite television, eating out for lunch, and of course, coffee.

**Cut your bills.** Use online comparison websites to make sure you have the cheapest energy, telephone and internet providers. Cut energy and water costs by consuming less. Reduce your gas bill by driving less.

**Build up a safety net.** It is vital to get some money behind you, so save as hard as you can. That way, should you lose your job, you can stay afloat financially for a while.

**Protect your insurance.** Go through all your insurances and see if you can cut the cost. Check out what you are paying for life

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# ALTERNATIVE ways to make some extra MONEY

## RENTING ROOMS

Some people make thousands of dollars over the years renting out bedrooms. These rooms are convenient for students or those who may be looking for temporary housing. Have a big yard? Consider renting a spot for someone to park their R.V.

## RUMMAGE SALES

Find everything you don't need and have a sale. Think about taking it to a flea market, rather than doing a yard sale, as the booth fee is cheaper than advertising in a newspaper and you're guaranteed a crowd. If you enjoy the process, you can start accumulating more stuff to do it all over again.

## NEIGHBORHOOD TAXI SERVICE

Put that big SUV or van to use by offering rides to people in your neighborhood or co-workers to work. It's cheaper for them than driving and more convenient than a regular taxi service.

## SELL YOUR KNOWLEDGE

If you're good at something, don't do it for free. Are you very knowledgeable about specific subjects, such as vehicles or computers? For example, if you know a lot about car buying, offer to assist someone in buying a car. Advertise your expertise and see how much you can make.

## MOW YOUR NEIGHBOR'S LAWN

If your neighbor doesn't like the hassle of yard work and you have the equipment, offer to cut their lawn for a fee.

## DOG WALKING

Do you like to walk? Do you like dogs? Take along some dogs at a few dollars each. This isn't all that unusual, but people in some towns still don't have this service available.







## CONTINUED: **Online banking is safe, just be smart**

Fund Transfer Act (EFTA) and the Federal Reserve Board’s “Regulation E” offer consumer protections, especially if you report a problem to your financial institution within specified time periods.

For example: Suppose a hacker obtains your debit card number and password and uses that information to transfer funds from your bank account.

The EFTA says you will have no liability for an unauthorized transaction if: (1) the situation does not involve the loss of your debit card or password, and (2) you notify your card issuer within 60 days of the date your financial institution mails the statement containing the error.

What if you did lose your debit card or password and a thief makes an unauthorized withdrawal from your account?

The FDIC says it depends on how quickly you notify your financial institution after learning of the lost card or password and if you notify your financial institution within two business days after learning that the card or password is lost, the EFTA limits your liability to \$50 or the amount of any unauthorized transfer, whichever is less. The FDIC warns, however, that if you wait longer your potential for liability could increase significantly.

You can protect yourself. Financial institutions spend millions of dollars and follow extensive security programs to make electronic banking transactions go safely and smoothly. But you have a role to play in protecting yourself, too.

Consumer Affairs has cautioned consumers many times to protect your personal information – including bank account numbers, passwords and Social Security numbers – from scam artists who hide at the other end of the computer screen or phone line.

Don’t give personal information in response to an unsolicited phone call or e-mail. And before providing credit card or other information on a website, confirm that the site is legitimate, not a copycat designed by a crook, by verifying the website’s address.

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Take security measures with your home computer. Experts advise installing and periodically updating virus protection and a “firewall” to stop hackers from accessing your home computer.

Also keep good records, so you can spot

and reconcile errors.

Review your bank statement as soon as it arrives and promptly report any suspicious or unauthorized transactions. Your quick attention to the problem may help limit your liability and make the puzzle easier to solve.

Online banking is a safe way to handle your personal finances, but like anything else that involves your money, you have to be careful.

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## CONTINUED: **SCDCA honored with NACAA ACE Award**

SCDCA’s ACE Award is for “An Outstanding Comprehensive Program of Consumer Education, Legislation, and Enforcement.”

The South Carolina Department of Consumer Affairs was recognized for its efforts in presenting such programs as “Scam Jam: A Forum for Seniors,” Quarterly Shred Day free consumer events, the Consumer and Fraud Alert publications, Speaker’s Bureau, and the innovative Homebuying 101 Workshop.

The Department’s public information efforts were aggressive, resulting in many media opportunities statewide including partnerships with several local network affiliates for consumer series during

“sweepstakes” months when local news programming is promoted heavily. SCDCA staff regularly travel to these stations and staff phone banks during the evening news block for viewer call-ins.

“It’s a great honor to have a staff of talented individuals produce such quality consumer-oriented programs that are so well-received,” said Brandolyn Thomas Pinkston, SCDCA Administrator. “

All of these initiatives provided critical and relevant information to assist consumers in making good decisions in the marketplace and in their personal lives.”

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# Consumer Affairs employee wins CIADA's "State Employee of the Year"

Brenda Coker, an employee of the South Carolina Department of Consumer Affairs, was recently named the Carolinas Independent Automobile Dealers Association (CIADA) "State Employee of the Year."

The award was given by CIAA in appreciation of Coker's service to the members of the association through exceptional education, information and communication regarding compliance with consumer protection regulations.

Since 2005, CIADA has been conducting Pre-Licensing classes for applicants for a South Carolina Motor Vehicle Dealer's license.

The license is needed by dealers to sell vehicles in South Carolina.

Coker contacted the Association to inquire about participating in the education program, which focuses primarily on state and federal legal compliance issues.

On a monthly basis for more than a year, Coker addressed potential car dealers in these classes, answering questions and providing information.

She also compiled packets of materials for the participants with the forms they need to file with SCDCA in order to comply with state law.

The CIADA says Coker's technique of using real stories of car dealerships' mistakes to warn potential dealers of the consequences of failing to comply with state filing requirements is very effective.

Her participation in classes is changing the perception newly licensed independent dealers have of SCDCA from a feared enforcement agency to a resource in getting started in their businesses.

Additionally, Coker is a valued resource to the Association's staff, answering questions regarding dealer financing and many other topics.



SCDCA's Brenda Coker, left, accepts the "State Employee of the Year" Award from the Carolinas Independent Automobile Dealers Association. Congratulations, Brenda!

## About the South Carolina Department of Consumer Affairs

Established by the Consumer Protection Code in 1974, the South Carolina Department of Consumer Affairs represents the interest of South Carolina consumers. Our mission is to protect consumers from inequities in the marketplace through advocacy, mediation, enforcement, and education. For more information on the SCDCA, visit [www.sconsumer.gov](http://www.sconsumer.gov).

Our mission is to protect consumers from inequities in the marketplace through advocacy, mediation, enforcement and education. The Department strives to be a **CREDIT** to our State by holding the following values as essential in our relationships and decision-making:

**C**ompetence **R**espect **E**quality **D**edication **I**ntegrity **T**imeliness

The *Consumer Alert* is published every month. To receive the *Consumer Alert* or its sister publication *Fraud Alert* by e-mail or postal service contact Charles Ellison at [ellison@scconsumer.gov](mailto:ellison@scconsumer.gov) or by phone 803.734.4203.

## The Commission on for SCDCA Consumer Affairs

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David Campbell, Columbia

Carole C. Wells, Woodruff

Brandolyn Thomas Pinkston, Administrator  
Alice Brooks, Director of Public Information  
Charles Ellison, Editor Consumer Alert

CONTINUED: **How to protect your budget** coverage, because costs have fallen and you may be able to buy cheaper.

**No Chicken Little, the sky isn't falling, but just in case.** Recessions tend to bring out a lot of doom-and-gloom commentary, but it's important to always remain upbeat. Better times always come back.

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## SCDCA honored with NACAA ACE Award

Pinkston also said that this award marks the fifth time the Department has been honored by NACAA, including its highest tribute, the "National Consumer Agency of the Year" award in 2005.

If you would like further information on SCDCA programs or would like to sign up to receive its publications, contact the Public Information Division at 803.734.4296, toll free in South Carolina at 1.800.922.1594, or online at [www.sconsumer.gov](http://www.sconsumer.gov).