



The Balance Sheet

The Balance Sheet Quarterly Newsletter is produced by
Cornell Cooperative Extension's Family Economics and Resource
Management Program Work Team

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*The dog days of summer came early this year. Hope you beat the heat but, if you didn't, we've included some tried and true low-cost cooling techniques and tips to help you survive the next heat wave. We've also included articles on keeping your cool when it comes to talking about money with family members, preventing home improvement nightmares plus how to increase gas mileage and pump up your credit score. May the rest of your summer be enjoyable, harmonious and relaxing!
Happy reading —
Theresa Mayhew, Editor*

Team members include Barbara Henza, Cortland County; Nancy Reigelsperger, Steuben County; Linda Law-Saunders, Washington County; Maria DeLucia-Evans, Albany County; Theresa Mayhew, Columbia & Greene Counties; Valle Castner, Yates County; Kenneth McLaurin, Jr., Tompkins County; Jackie Spencer, Tioga County; Susan McCormick and Meghan Young, Orange County; Tom Hirschl, Cornell University; and community member Ann Gifford, Tompkins County.

Avoid Money Conflicts: Communicate Your Way to Good Financial Decisions

by Maria DeLucia-Evans, CCE Albany County



Money is often a common problem for families, regardless of income, age or level of education. Sometimes a lack of income to meet our basic needs creates the concern. More often we find that inadequate communication about money can be the root of our financial problems.

We need to recognize that communicating about money issues is not easy. But when a family is more open about their finances, they end up making better quality financial decisions. Preventing and overcoming money problems takes honest, candid communication. It also takes time and effort from everyone involved in the process.

Understand Personal Values

A good place to begin communicating about money is to identify personal values. Values are those qualities, situations and material things that a person cherishes most. Our values are a product of our past experiences, present situation and expectations for the future. Some values and attitudes toward money can be traced to our childhood and how we first learned to make (or observed others making) money decisions. We show our values in the way we talk and act, how we spend our time and effort, in our actions at work and leisure, and in our spending choices.

Knowing what is important to us helps us understand ourselves better. And knowing another person's values makes it easier to understand that person and why they may make the choices that they do. Remember that our differences make us unique, and we need to honor and acknowledge these differences before we can move forward.

Basic Communication Guidelines

After we identify personal goals and values, follow these basic communication guidelines and rules to structure conversations about money:

- *Arrange a specific time when all family members can talk about money.*
- *Meet on a regular basis, instead of waiting until problems occur.*
- *Choose a location where you won't be interrupted.*
- *Establish these basic rules: recognize that whoever earns the money doesn't also earn the right to spend it; clearly identify the issue at hand; let each family member freely state his or her wants, needs, and personal feelings; listen carefully to the other person; and be willing to negotiate for a realistic settlement of differences.*

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KEYNOTE
The Psychology of Money Amy Irvine CFP®, EA, MPAS™
Amy is a Certified Financial Planner™, Enrolled Agent, and Fiscal Fitness Club of America
Financial Wellness Coach with over 20 years of financial planning and industry experience.

HOT TOPICS:

Spooktacular Financial Tips Nancy Williamson CEO, Semi Credit Union	The 10-Minute Digital De-Clutter Nancy Reigelsperger Cornell Cooperative Extension of Steuben County, Financial Educator
The Stages of Estate Planning (from your 20's to Maturity) Catherine Crandall CFP®, JD, CTPA Senior Vice President Chemung Canal Trust Company	Feel ~ Think ~ Act Align Your Three Brains to Transform Rhonda Morton Savannah Consulting
Grocery Store Hacks: The Top 10 Tips for Saving Money & Eating Healthy Larkin Podsielik Cornell Cooperative Extension of Steuben County, Executive Director	Stress is a 4-Letter Word! Lisa Rustici C/CO Learn tips from a life coach

Cost is \$35 per person ages 18 and up; \$35 per
person after Sept 30. Includes lunch,
networking, conference, and Amy Irvine's new
book, PLUS door prizes and exhibitors!

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newsletter is for educational purposes
only. References to specific products
or services do not imply
endorsement by CCE.**

Remember that as you express yourself, start your sentences with "I feel." This way you are simply expressing how you feel about a situation and you aren't making the other person feel like they need to defend themselves or feel attacked.

Take Steps to Solve a Problem

If you run into problems making decisions, use the following steps to work towards an acceptable solution.

- Step 1**— Define the problem. Be specific. List only one problem at a time.
- Step 2** — List ways the problem could be solved. Write down all possible solutions that come to mind. Do not judge their worth during this brainstorming session.
- Step 3** — Now go back and evaluate each of the solutions listed. Are they workable, practical, and agreeable to everyone involved? Can you combine several alternatives? Do you need to compromise to make one of the solutions work for everyone?
- Step 4** — Select the best solution for the situation and for everyone involved. Be sure to outline the steps necessary to achieve this solution.
- Step 5** — Reflect on what might stand in the way of reaching your goal. How can you avoid these obstacles? What are you willing to sacrifice to solve this problem? Whose support do you need?

Understanding personal money values, setting communication guidelines, and following the above steps to solve financial problems will help you and your family reach your future financial goals. Check out the below resources to learn more about money and communication, and identifying personal money values.

Resources

- <https://www.extension.purdue.edu/extmedia/CFS/CFS-727-2-W.pdf>
- <https://stcroix.uwex.edu/files/2012/10/2012-Fall-What-is-your-money-color.pdf>

Escaping Home Improvement Missteps

By Barb Henza; CCE Cortland County



Will you be taking on a home improvement project or a major home repair this summer? If the answer is yes, you will likely need to hire a contractor to do the work. Protect your home and your wallet by following the below tips on working with home improvement contractors from the New York State Attorney General's office.

Never agree to have work done on the spot. Special caution should be taken with door-to-door sales. Be especially leery of "I was in the neighborhood" sales pitches, special deals for each additional customer you obtain for the contractor, or suspiciously low prices. If the person offering to do the work insists that it be done right now and that payment be made in cash, politely decline their offer. A reputable contractor will be glad to give you time to think things over before deciding to go ahead with the work.

Shop around. Get at least three estimates, especially on big jobs. The estimate should include specific information about the materials and services to be provided for the job. Take the time to learn what's involved in the type of home improvement you want. When you are talking with potential contractors be as specific as possible about what you want the finished work to look like and the materials you want used.

Ways to Stay Cool and Keep Utility Costs Down This Summer

Submitted by Theresa Mayhew, CCE
Columbia & Greene Counties

Thirteen percent of a home's energy costs are for cooling. Here are five easy ways to rein in these expenses—even on hot summer days.

1. Turn your fan on. Instead of setting the air conditioner to 74° or 76° F, set it to 78° F and let your ceiling fan do the rest. It costs little to run and can make the temperature feel as much as 4° F cooler, according to the Department of Energy. Turn off ceiling fans when you leave the room. Remember that fans cool people, not rooms, by creating a wind chill effect.

2. Make simple changes that increase efficiency. Close curtains during the day to keep the sun from heating up the house, repair leaky AC ductwork, and plug cracks around windows and doors. When you shower or take a bath, use the bathroom fan to remove the heat and humidity from your home. Your laundry room might also benefit from spot ventilation. Make sure bathroom and kitchen fans are vented to the outside -- not just to the attic.

3. Replace your thermostat. If you have central air, one of the most effective ways to save money on cooling is to install a programmable or smart thermostat. Programmable thermostats can be set to a schedule, typically one for weekdays and another for weekends, that reduces the amount of cooling when the house is empty or when you're sound asleep. According to the U.S. Department of Energy, a programmable thermostat can reduce cooling and heating bills by 10 percent.

4. Get the heat of the kitchen. On hot days, avoid using the oven and stovetop -- use a microwave oven, slow cooker or grill outside. Wash only full loads of dishes (and clothes). Consider air drying both dishes and clothing.

5. Beware of heat-generating appliances. Minimize activities that generate a lot of heat, such as running a computer, burning open flames, running a dishwasher, and using hot devices such as curling irons or hair dryers. Even stereos and televisions will add some heat to your home.

Resources: Consumer Reports, U. S. Department of Energy

Check out potential contractors thoroughly before you agree to hire them to do a job for you. Start by either calling someone who has worked for you before or ask friends, neighbors or relatives for the names of contractors who have done satisfactory work for them in the past. Ask if the contractor did quality work and stayed within cost estimates. Look for signs that the contractors you are considering are reliable. Some signs to look for when checking out home improvement contractors: they have an established place of business; if a license is required to do this type of work in your area they have obtained one and it is current; there are no outstanding complaints against them at the Better Business Bureau; and they have a good reputation with local bankers, suppliers or the government agency that inspects home improvements needing a permit. You want to be sure that if something does go wrong, you will be able to find the contractor and get it fixed.

All home improvement contracts over \$500 in New York must be in writing, in plain English, be signed by all parties, and contain certain provisions. Insist on a written contract that includes the price and description of work needed. The contract will be legally binding on both parties. Avoid any vague wording. Preprinted contracts can be altered or amended to fit your circumstances. If you alter such a contract, have both your initials and the contractor's initials by any change. The contract should also include the name, address, telephone number and license number of the home improvement contractor, the estimated dates when the work will begin and be completed, and a specific description of the work to be done, and a schedule of progress payments if the contract calls for them. Don't pay unreasonable advance sums and never pay in cash. Negotiate a payment schedule tied to the completion of specific stages on the job. Never pay the full price of the home improvement up front. Any progress payments that you do make must bear a "reasonable relationship" to the work done.

The contract will also contain information on how to cancel the contract. You have until midnight of the third business day after signing a contract for home improvements to cancel the contract. All cancellations must be made in writing. A cancellation occurs when the written notice is either given to the home improvement contractor or is deposited in the mailbox.

Call the Code Enforcement Office in the city or town where you live to find out what permits, variances or inspections are required for the job. Make sure that all permits and inspections are obtained, even if this is the contractor's responsibility.

Maximize your gas mileage

Submitted by Theresa Mayhew, CCE Columbia/Greene

1. Accelerate gradually. Avoid jackrabbit starts. Use cruise control.
2. Anticipate your stops; decelerate when approaching red lights.
3. In summer, drive during cooler parts of the day..
4. Avoid long warm-ups in the morning; they just waste fuel.
5. Use air conditioning; it creates less drag on the engine than do open windows.
6. Maintain recommended tire pressure. ...tires that are underinflated can reduce fuel economy up to two percent.
7. Keep the air filter clean; clogged filters reduce fuel economy.
8. Drive the speed limit.

Resource: American Automobile Association



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The Power of the Credit Score

By Nancy Reigelsperger, CCE Steuben County

There is probably more awareness of credit reports & scores in the marketplace today and that's probably true across all generations. Your credit report is a critical component to your financial well-being. Your credit report is a record of your credit history over time.

There are three major credit reporting agencies or credit bureaus: Experian, Equifax, and Transunion. Each provides its own credit report. Your credit report generally contains your personal information such as your name, birthdate, current and previous addresses, and employers. It will also include trade account information where you will find a list of your open credit accounts, including the creditor's name, your account number, the amount you owe, your available credit limit or original loan amount, and whether you have paid on time and are current on payments. You will also find data on closed accounts, including the payment history on those accounts and whether or not they were closed in good standing. Negative information on credit reports can include missed or late payments and charge-offs.

Your report will show hard inquiries based on actions you have taken, such as applying for credit or financing or as a result of a collection. Soft inquiries are not shared with potential creditors. These include prescreened credit offers, employment requests, account reviews from creditors you already have a relationship with, and your own.

Your credit score is a number, generally between 300 and 850, that lenders use to predict how likely you are to repay money you have borrowed. The score is based on information in your current credit report. It is intended to be an objective, reliable way for lenders to assess a borrower's potential creditworthiness.

Because there are multiple credit reporting agencies and many different credit scoring models, you have far more than one credit score. Credit scores are not included in a credit report and when separately requested, are calculated at the time of request. Generally, however, FICO and Vantage Score are the most commonly used types of credit scores in lending decisions.

Information on your credit report that can influence your credit score includes payment history, type of credit used, how long you have had credit, balances on debts you owe, and credit utilization ratio.

There is no quick fix to repair your credit report but, if you are looking for ways to improve your credit, taking care of negative information can help. Contact the reporting agencies if you find any inaccurate information on your credit report and take steps to dispute it. Also pay down high balances and bring all accounts current if you've fallen behind on any payments.

There will be some changes coming to the credit reporting system this September. Paid collections will be excluded from your score. Medical collections will be held six months before added to your report. Medical collections will be weighed less heavily and, if paid, will be excluded. You will be able to get a free credit freeze for children under the age of 16. A credit freeze restricts access to your credit file and needs a PIN to freeze and unfreeze. Starting in September, it will now be free to add and remove from your report and will last for one year.

You are allowed to receive one free report from each of the three bureaus once every 12 months. At a minimum, you should check your credit report at least once every 12 months. It is often the first indicator that you are an identity theft victim. It is also the first step in correcting any information you feel is inaccurate. Go to www.annualcreditreport.com to obtain your free report.