

\$OKMM **OKLAHOMA MONEY MATTERS**

Your Bottom Line

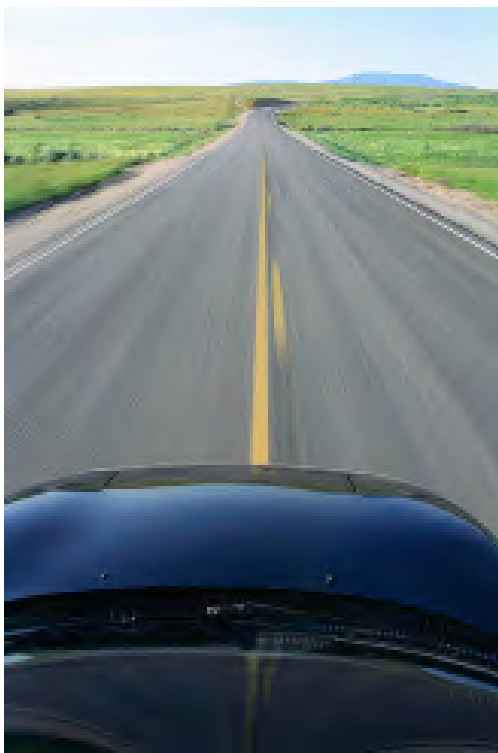
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The Road Ahead

What's in store for GM and Chrysler owners?

To say the economy has taken a toll on American automakers is an understatement.



In early June, the Chrysler Corporation emerged from bankruptcy and closed 800 dealerships. A few weeks later, General Motors announced the closure of 40% of its 6,000 dealerships and just emerged from bankruptcy in July. GM also announced the discontinuation of Pontiac and the sale or potential sale of three other brands: Hummer, Saab and Saturn.

With two of the three major American car manufacturers in financial trouble, consumers are faced with several questions. What does this mean for current and future GM and Chrysler vehicle owners? Here are some of the top questions consumers are asking.

Is it safe to buy a new car from GM or Chrysler?

The short answer is yes. Both GM and Chrysler will continue to make and sell cars, honor warranties and provide parts to their dealerships. GM will continue to support parts and service on its discontinued models, too.

Both Chrysler and GM have emerged from bankruptcy, reducing uncertainty about the future of the companies. Chrysler claims that redesigned versions of their models continue to improve in quality, evidenced by reduced warranty claim rates.

It's also interesting to note that the Chevy Camaro (a GM product) has outsold the Ford Mustang for the first time in 16 years—all while GM was in bankruptcy.

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Bedtime Budget
Reader Response
Blogs, Blogs, Blogs



Q&A Paying for College
Go Green, Save Green



At Your Service
Refinancing Your
Mortgage



The Road Ahead, Cont.
On Our Mind



Budgeting Tools



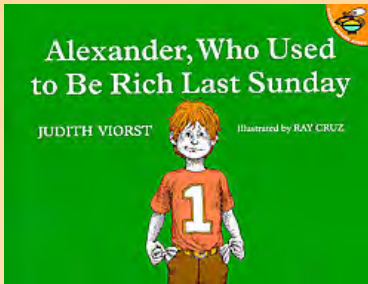
Read a Book
UCanGo2
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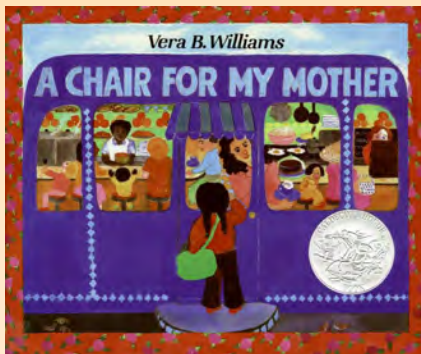
Partners and Events
Calendar

Bedtime Budgeting

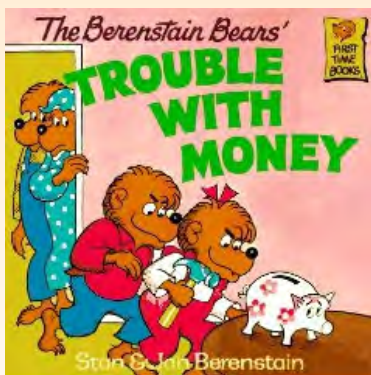
Looking for a new story to help you say night-night to your little prince or princess? Try tucking in your little ones with a story that teaches them about money management and while sending them to Sleepy Town. Check out the titles below at your local library.



Alexander, Who Used to Be Rich Last Sunday
by Judith Viorst



A Chair For My Mother
by Vera B. Williams



The Berenstain Bears' Trouble with Money
by Stan and Jan Berenstain

Reader Response

“What’s your best way to save on back-to-school items?”



Wayne Sparks, 45
Oklahoma City

My wife orders school supplies through the school’s PTA. Their packets are always cheaper, she’s guaranteed to get the correct items and she doesn’t have to spend an hour in Wal-Mart trying to find all the different items.

In order to save on back-to-school items, I stock up. I shop the sales and even look at office supply stores for school supplies.



Risa Johnson, 34
Spencer

Want to be featured in the next newsletter?
Tell us about the changes you plan to make in your holiday spending this year. Send your response, name, age, town and a recent photo to lmyers@ogslp.org.

Blogs, Blogs, Blogs!

The Consumerist
www.consumerist.com

The Consumerist is a consumer-driven blog owned by Consumer Media LLC, the publisher of Consumer Reports. With up-to-the-minute consumer news, company reviews and customer service experiences, this is the blog to read to find out the latest on a food recall, to share your experience with a particular company or to learn how to contact company executives to solve a consumer problem.



Wise Bread
www.wisebread.com

Wise Bread is a community of independent bloggers discussing ways to live on a small budget. Their goal is to provide advice and ideas for a new generation of savvy savers. This blog is a great read for 20- or 30-somethings looking for new ways to budget and live a frugal, but fun lifestyle.



Q & A

Your Paying for College Answers
with Rick Edington

In addition to summer vacation, many parents and students have paying for college on the brain. We've asked Rick Edington, Director for School/Lender Services, Default Prevention & Outreach at the Oklahoma Guaranteed Student Loan Program (OGSLP), some questions to help families understand how to best handle paying for higher education.

What's the first step in getting financial aid for school?

The FAFSA (Free Application for Federal Student Aid) must be completed to apply for grants, work-study and federal student loans. Families should fill out the FAFSA every year aid is needed, even if they think they won't qualify. For incoming college freshmen, it's recommended that families complete the application as soon as possible after Jan. 1 of the students' senior year of high school. The easiest and quickest way to complete the application is online at www.fafsa.ed.gov.

Any tips to help families manage the cost of education?

Always go for free money first. The student should apply for as many grants and scholarships as possible. If grants and scholarships aren't enough, then tap into any college savings.

If grants, scholarships and savings aren't enough to foot the bill, consider a federal student loan. Federal loans have lower interest rates and more flexible repayment options than "private" or "alternative" loans. Students should exhaust all federal loan options before considering non-federal loans.

Also, only borrow what's needed to pay for school expenses; many students are offered more than they actually need. Remember, loans must be repaid, so don't borrow more than necessary. Get the facts from your financial aid counselor when considering which loan offers to accept.

What about credit cards? Are they a good way to pay for college-related expenses, like books and tuition?

If possible, don't rely on credit cards for tuition or school-related expenses. Some families think it's easier to put all their college expenses on a credit card to avoid completing financial aid paperwork, but federal student loans are a cheaper way to pay for higher education and the interest paid is tax-deductible.

Where can parents and students go if they have questions?

The campus financial aid office is a great source of information. Also, parents and students can visit OGSLP's Web site, www.ogslp.org, or www.cashforcollegeok.info for resources and tools. They can also contact OGSLP at 800.442.8642 (toll-free) to request our college planning publications *Are You Looking for Money?* and *Are You Looking for Grants & Scholarships?*.



Go Green, Save Green

President Obama recently signed the Cash for Clunkers law, offering a tax rebate to encourage Americans to trade in older cars for new, fuel-efficient vehicles. To qualify your vehicle must:

- be manufactured less than 25 years before the date you trade it in;
- have a combined city/highway fuel economy of 18 mpg or less;
- be in drivable condition; and
- be continuously insured and registered to the same owner for the full year preceding the trade-in.



If you take advantage of this plan, you could receive between \$3,500 and 4,500 to help you purchase a new vehicle. For updates on the new law, visit www.cars.gov.

Refinancing Your Mortgage: Is It Time?



To “refi” or not to “refi,” that’s the new question! With today’s low interest rates, many people have been thinking about refinancing their home mortgage. Rates may be at an all time low for qualified buyers, but it doesn’t make sense to refinance if it’s not a great deal for YOU. Consider these factors before jumping to refinance.

Do you have enough equity? It’s realistic to refinance if you’ve built up at least 10% equity in your home. It’s also possible to refinance if your equity is less than 5%, but you might get stuck paying cash up front to make up for the difference in equity.

Have you reviewed your credit? When refinancing your home, lenders use the same criteria to evaluate your creditworthiness as they do for a first mortgage. So, make sure your credit score is in tip-top shape. Otherwise, you may not get a low rate or even qualify to refinance.

Have you checked the rates you could qualify for? If they’re not more than 1% lower than the rate on your current loan, refinancing may not be worthwhile.

What are your future plans? If you’re thinking of selling in the next three to five years, the amount you save on refinancing your mortgage may not cover the closing fees. The goal is to save money over the long term.

How long have you been paying on the loan you already have? If you’re 10 to 20 years into a 30-year mortgage, refinancing to another 30-year loan will likely only increase your costs in the long run.

What’s the market like in your area? If real estate in your area is still holding strong and the supply of unsold homes isn’t increasing, waiting longer to refinance might be smart. On the flip side, if prices have already begun to plummet or there’s a large supply of homes on the market, refinancing now may be a better choice.



At Your Service

Money Talks Podcasts

Fast and user-friendly—that’s how today’s students want information. At OKMM, we realize this and want to help you share important financial principles quickly, easily and without creating a heavier workload for your staff.

That’s why we’ve developed *Money Talks*, a series of podcasts for college students. Each podcast is an on-the-go resource three to five minutes in length, ideal for a student’s fast-paced lifestyle.

Visit www.oklahomamoneymatters.org to listen to our current topics:

- 🎧 Financial Aid **New!**
- 🎧 Identity Theft **New!**
- 🎧 Living On A College Budget **New!**
- 🎧 Budgeting 101
- 🎧 Savvy Savings
- 🎧 Credit Know-How
- 🎧 Understanding Your FICO Score
- 🎧 Managing Your Student Loans

Push play today! If you’d like to offer this service to your students or talk about customizing podcasts to better fit your campus needs, call us at 800.970.OKMM (toll-free) or e-mail us at oklahomamoneymatters@ogslp.org. We’d love to discuss ways we can help you make the most of *Money Talks* and OKMM’s many other services on your campus!

The Road Ahead, Cont.

Should I be concerned about resale and trade-in values?

When buying a car, it's important to look beyond the sticker price or your monthly payment. There are valid questions about the worth of Chrysler and GM products so you'll want to consider how the vehicle will retain its value over time.

CBS Moneywatch.com reports that GM cars may see a short-term drop in resale value. Used-car values are driven by supply and demand and before Chrysler emerged from bankruptcy, they drastically cut production. They hope this move will increase demand so resale values recover. GM will most likely make a similar move.

Will I still be able to get parts and service on a GM or Chrysler vehicle?

GM and Chrysler dealerships will continue to offer service for all current and discontinued models. A bigger issue may be locating a dealership. With nearly 800 Chrysler dealerships closing and 2,500 GM dealerships closing, you may have to travel farther to get dealership service.

Independent garages will still have access to GM and Chrysler parts, though many consumers prefer to go to a dealership so repairs may not be as convenient.

How do I get the best deal?

GM and Chrysler are both offering many deals and incentives to encourage you to purchase their cars. As with any vehicle purchase, it's important to do your homework, shop around and find a car that's right for you.

On Our MIND



What's on the mind of OKMM staff? This month Outreach Coordinator Melissa Ryburn talks about her lifestyle and the frugal choices she makes.

Call me cheap, frugal or stingy ... it's all the same right? Wrong!

Being stingy means being greedy – I may be an only child, but I did learn how to share. And anyone who's seen my shoe collection can testify that I'm not cheap. Cheap people go out of their way to save a buck even if it means giving up things they really need. Nope, I'm not cheap or stingy; I'm frugal!

I try to be smart with money. I spend on the things I really want and skip the things I don't need. It's great to get a bargain as long as I'm not sacrificing quality. For me it's a challenge – how can I get what I want for the best deal possible?

Here are a few easy things I do to stretch my dollar.

- I'm a coffee fanatic, but instead of a daily visit to Starbucks, I buy flavored creamer. Making coffee at home saves me time, costs less and, in my opinion, tastes just as good as what the baristas make.
- When we eat out I drink water instead of soda. It's better for me, plus it saves cash and calories.
- I love to shop, but hate paying full price. I make it a habit to look for BOGO (buy-one-get one) deals or use store coupons. One of my favorite stores regularly offers discounts for completing online surveys. There's nothing better than being rewarded for giving my opinion.
- I buy groceries in bulk and then freeze individual servings. I only cook what we'll actually eat and if we have leftovers, I take some for lunch the next day and freeze the rest. Why buy frozen meals when I can make something better at home?
- My husband and I love movies but instead of dropping more than \$20 at the theater, I subscribe to Redbox's weekly text messages, good for a free rental. If I return it on time, it doesn't cost me a dime.

All of the little money-saving steps we take are completely worth it because they're helping us reach our bigger goals – like our next cruise!

Budgeting: A New Twist on an Old Classic



Financial success for many hinges on mastering a few simple concepts: paying yourself first and living below your means. Want to know the secret to achieving both? Implement a budget.

Hey, why did you stop reading? Come back! Budgets (a.k.a. spending plans) don't have to be boring and hard to live by. Forget what you've ever heard about the dreaded "B word" and learn how to implement positive change through modern spending plans. If you aren't the "track-and-write-everything-down" type, you may find success with these strategies recently highlighted in Money Magazine.

Thrice as Nice

How it works: You'll need three bank accounts—two checking and one savings. First, decide how much of every paycheck you want to put toward savings and have that automatically sent to your savings account.

Via direct deposit, send the rest of your paycheck to checking account No. 1. From this account, you'll pay all monthly fixed expenses, like rent, car payments and utilities.

With the money left over after paying your fixed expenses, divide by four and set up a weekly automatic transfer of that amount to checking account No. 2. Use this account for all variable expenses like groceries, entertainment, clothes and eating out. Refrain from transferring more money over or using credit cards!

The perks: This process forces you to save first and live off limited funds for your variable expenses.

Trim It Down

How it works: Grab your bank and credit card statements and make a list of recurring expenses and the amount spent. Instead of cutting your overall spending by, let's say 5%, locate one or two large expenses and cut those. Maybe it's cable television, the second car or your gym membership. Whatever it may be, cut it loose and add those extra funds toward your savings goals.

The perks: Cutting one bigger item versus making an across-the-board cut alleviates the need to re-evaluate your spending plan on a regular basis, which saves you time and effort.

Call In the Reinforcements

How it works: Find someone you trust, like a friend, co-worker or family member, and ask them

to hold you accountable to your financial goals (i.e. saving \$100 a month, pay off a credit card in three months, etc.). Consider making a contract with this person on www.stickk.com, a site that uses financial punishments to hold you accountable. Once you've created an account, getting started is simple. State the goal, make a schedule of checkups and choose a small fee you'll pay if you fail.

The perks: As with working out, accountability gets results.

On the Go ... So?

Is your busy life getting in the way of your finances? Manage your money away from home using iPhone's free Mint application.

From your phone, you can check your credit card balances, view your bank account balance/transactions, stay on top of your budget and keep an eye on your investment portfolio.

To learn more about Mint, visit their Web site, www.mint.com.





Read a Book, Win \$5,000

Getting your child to crack a book this summer could lead to \$5,000 toward his or her college savings through the Be Creative @ Saving for College Sweepstakes.

Sponsored by the Oklahoma College Savings Plan and the Oklahoma Department of Libraries, the sweepstakes runs through July 31. For more information or to enter, visit www.ok4saving.org.



UCanGo2 is a new outreach program developed by the Oklahoma Guaranteed Student Loan Program (OGSLP), a division of the Oklahoma State Regents for Higher Education (OSRHE).

UCanGo2 is a year-round college access program that includes information about several State Regents' programs - GEAR-UP, Oklahoma's Promise, the student portal (OKcollegestart.org) - as well as information from OGSLP about planning and paying for college.

UCanGo2 aims to create a college-going culture and deliver helpful information that creates aspiration from birth.

Materials and resources will soon be available for:

- » Students
- » Parents
- » Community groups
- » College campuses and technology schools
- » Middle and high school counselors



In a recent survey by AllianceBernstein, parents admitted to spending more on the following in the last year than they saved or invested for their children's college education:

58%



Dining Out

49%



Vacations

38%

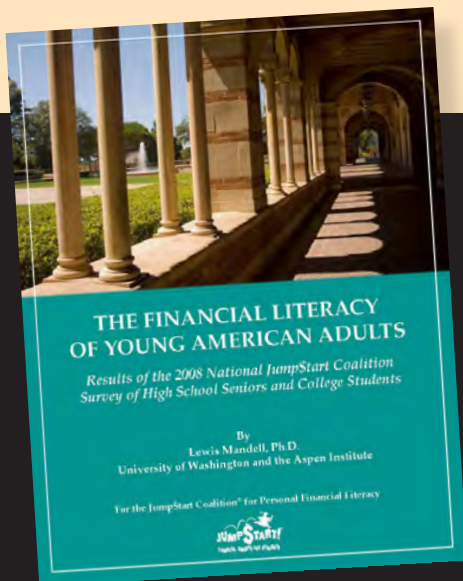


Electronics

31%



Allowance



Jump\$tart Releases New Survey Results

The Jump\$tart Coalition® for Personal Financial Literacy has issued a report entitled, "The Financial Literacy of Young American Adults" that provides results of the 2008 National Jump\$tart Coalition Survey of High School Seniors and College Students.

According to the report, the financial literacy of high school students has fallen to its lowest level ever, with an average score of just 48.3 percent. The average score for college students on the same 31 question exam, however, was 62.2 percent. To view the report, visit www.jumpstartcoalition.org.



Partner News and Events



Plan to attend the next Oklahoma Jump\$TART Coalition meeting!

Wednesday, July 29
11:30 a.m. until 1:00 p.m.
Norman, OK

RSVP by e-mailing Pamela Gutel at pamela.gutel@kc.frb.org.

The Oklahoma Council on Economic Education recently released its fall teacher workshop schedule. For more information, visit www.econisok.org.

Stock Market Game Webinar

- Sept. 1, 2:00 until 4:00 p.m.
- Sept. 10, 2:00 until 4:00 p.m.



Back to School: The World and the News

- Aug. 29, 9:00 a.m. until 2:00 p.m.

Using Hands-On Activities to Teach Elementary PASS

- Aug. 4, 8:30 a.m. until 3:30 p.m.

Have News to Share?

Let us feature it! Do you have a contest, educational workshop or other personal finance event you'd like us to highlight in a future edition of the newsletter? Send a note to lmyers@ogslp.org today; space is limited.



Oklahoma Money Matters (OKMM) is a personal finance education program that helps K-12 schools, higher education campuses, businesses and community partners develop or expand educational services that empower Oklahomans to make positive financial choices.

OKMM is an initiative of the Oklahoma Guaranteed Student Loan Program and Oklahoma State Regents for Higher Education.

Visit us online at www.oklahomamoneymatters.org.

To ask questions or share comments regarding this newsletter, e-mail oklahomamoneymatters@ogslp.org.



OKLAHOMA STATE REGENTS FOR HIGHER EDUCATION

Improving our future by degrees



| July | | | | | | |
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