

# OKMM™

OKLAHOMA MONEY MATTERS

Your Bottom Line

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## Money Lessons for Kids

*We asked our social media followers what they wish their parents had taught them about money.*

If OKMM staff had a nickel for every time they've heard, "If someone had only told me this sooner," we may not be rich, but we'd have quite a bit of change jingling in our pockets.

Financial topics that garner the "if I'd only known" response range from budgeting to student loans and credit card debt, but we knew that was only the tip of the financial iceberg. To fill in the blanks, we turned to social media to get a better idea of what children need to know before they leave the nest. Here's what our readers had to share.

### How to delay gratification.

We live in a must-have-it-now society. We're constantly bombarded with advertisements that convince us we need the

latest and greatest items. Several of our responders wish their parents had taught them the importance of waiting before making a purchase.

Consider implementing a 48 hour rule. Any time your children receive money, encourage them to wait before spending it. Not only will this curb impulse purchases and help avoid buyer's remorse, but it instills a wonderful sense of satisfaction in buying just the right item or saving up for something that's more important.

**How to talk about money.** For many families it's still taboo to talk dollars and cents, but according to those we polled, it's as important to talk to your kids about money as it is to talk about

sex and drugs.

It's never too early to start talking to your kids about financial concepts and money management. If you're not sure where to start, visit [MoneyAsYouGrow.org](http://MoneyAsYouGrow.org) for age-appropriate lessons and activities for children ages 3 to 18.

**How to pay bills.** One reader shared that when she left home she knew how to comparison shop for the best deals and do her laundry without shrinking her clothes but had no clue how to successfully pay bills and manage a bill-payment schedule.

Consider inviting your children to sit with you as you sort bills, write out checks, or make online payments. Talk about the importance of planning ahead and paying on time to avoid late fees.

**How to make a financial plan.** When most people think of budgets, the words boring

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Fuel Facts  
Money Talks



Q&A: Fed  
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and restrictive may come to mind. However, several readers emphasized how beneficial it would have been to know that a budget is something everyone who spends money needs. While there are numerous budgeting methods to choose from, an easy concept to teach children is that every dollar needs a name - whether it be entertainment, clothes, or emergencies. If every dollar is assigned to serve a purpose, your child will be more thoughtful about what he spends.

**How to be content with what you have.** Epictetus once said, "Wealth consists not in having great possessions, but in having few wants." There is something incredibly freeing about focusing on all the wonderful things you have instead of focusing on all the things you may be missing.

Encourage your children, and other family members, to count their financial blessings and try not to keep up with others who have newer, nicer, and shinier things than they do. Trying to keep up with someone else's lifestyle is an endless journey that will never get you where you want to go.

For more resources to help you teach children about money, explore the Parents section of [OklahomaMoneyMatters.org](http://OklahomaMoneyMatters.org) or search our online resource clearinghouse using the keywords "teaching kids about money."



Start a conversation with your friends or family about money. Ask them:

"What is the best financial decision you've ever made?"

Tell us at [Twitter.com/OKMoneyMatters](https://twitter.com/OKMoneyMatters)  
or [Facebook.com/OklahomaMoneyMatters](https://facebook.com/OklahomaMoneyMatters)



# Fuel Facts



Turn left into the gas station that offers cheaper fuel or turn right into the one that advertises higher quality fuel - which is the wiser choice? The answer may not be as clear as it seems. Here are three factors that all car owners should know to get the best fuel performance from their vehicles.

**Octane levels.** A common misconception is that all cars run better on premium gas (the one that's pricier and has the higher octane number on the yellow sticker). However, according to the Federal Trade Commission, most cars on the road today run just as well on regular gas.

**Engine cleaning detergent additives.** The U.S. Environmental Protection Agency requires all fuel sold at gas stations to contain engine cleaning detergent additives. These additives come in varying percentages and help reduce engine deposit buildup. Gasoline containing higher percentages is often called "Top Tier" gasoline and may be better for your vehicle, but is usually more expensive, too. Less expensive gas may only include the bare minimum of detergent additives required by the EPA, which is more wallet friendly but may not perform as well.

**Ethanol.** Ethanol is a type of fuel that's made from corn or other starch plants; it's often cheaper than pure gas and is said to be better for the environment. Many times it's combined with gasoline and sold as a mixture, called gasohol. While auto manufacturers approve the use of gasohol containing up to 10 percent ethanol (E-10), the mixture typically reduces gas mileage.

Prevention and maintenance are almost always less expensive than repair. While saving money is a worthy goal, it's important to ensure you're using the fuel recommended in your owner's manual, or any savings could be eclipsed by car repairs. Not only can you avoid unnecessary expenses by heeding the manufacturer's recommendations, your warranty often depends on using approved fluids.



# Q&A: Student Board of Directors

*Sarah Shahan, Public Affairs Specialist*

The Federal Reserve Bank of Kansas City, Oklahoma City Branch

Sarah Shahan, Public Affairs Specialist for the Kansas City Fed's Oklahoma City branch office, gives us the scoop on their Student Board of Directors Program.

*Tell us about the Student Board of Directors and your role as its coordinator.*

The Student Board brings together exemplary students of diverse backgrounds to build upon their understanding of the nation's central bank and its role in the United States' economy, as well as their role as financially responsible citizens. The program provides college-bound students a strong foundation of life and leadership skills as they move from classroom to boardroom to community leaders. My role as coordinator is executing the program from start to finish, which ranges from planning and recruiting to building a trusting relationship with each student and educator.

*Why did the Federal Reserve Bank of Kansas City, Oklahoma City Branch create this program?*

This program was created in the Branch office after a successful launch in the Kansas City Fed's headquarter office in 2011. The Kansas City Fed's Student Board of Directors program gives students the opportunity to learn about the Federal Reserve System, the local economy, personal finance skills, human capital,

business etiquette, career paths, identity theft and financial aid.



FEDERAL RESERVE BANK of KANSAS CITY  
Oklahoma City Branch

*What did last year's students do while serving on the Board?*

Students participated in educational activities to help them learn about the Bank, the economy, and preparing for college and future careers. The students also had a chance to interact with business leaders and the Branch Board of Directors. They toured Devon Energy and learned how local businesses and the energy sector play an important role in Oklahoma's economy.

Personal finance was one of the most important topics covered and was a favorite lesson for the Board. This lesson was a crucial part of the Student Board experience and activities were presented in a hands-on format which made them more meaningful.

At the conclusion of the Board's term, they were recognized for their dedication and hard work in front of Fed staff, their parents, and their educators.

*What are the requirements to be selected for the Student Board?*

Participants must be a high school student with consistent, high academic standing (top 30.0 percent of class) prior to and for the length of the program and be able to get to the afternoon meetings each month.

Interested students should complete and submit the application packet via the online application, or mail, email or fax it in by October 4, 2013. Students will be selected by a group of Public Affairs staff based on class standing, involvement in extracurricular activities in and out of school, student essay and teacher/administrator recommendation. Selection notifications will be distributed in mid to late October.

*Where can teachers and students learn more about applying for the program?*

Educators and students can view photos from last year's Student Board program and learn more about the Board's mission, benefits, and application process by clicking on the Student Board of Directors icon at [KansasCityFed.org/education](http://KansasCityFed.org/education).

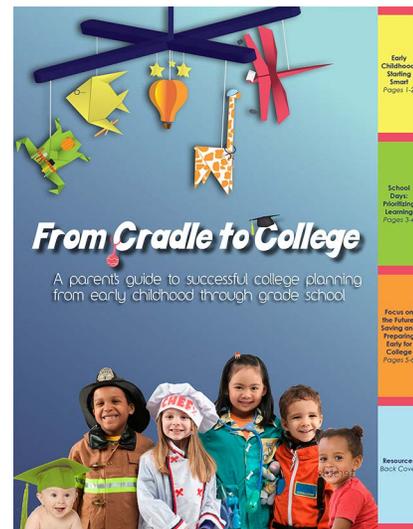
# September is College Savings Month

It's never too early to start planning for college. Every penny saved is one less that you'll need to borrow to pay for school expenses. And, since September is the official college savings month, it's a great time to get organized and begin saving.

Here are a few of the many savings options available in Oklahoma:

- **Oklahoma's 529 College Savings Plan.** This is a tax deductible savings plan that can be used for qualifying school expenses at colleges nationwide.
- **Coverdell Education Savings Account (ESA).** ESAs can help families pay elementary, secondary and college education expenses.
- **Gerber Life College Plan.** This option is a combined life insurance policy and college saving plan for families.

To learn more about early college planning, check out *From Cradle to College*. Created by UCanGo2 in partnership with Smart Start Oklahoma, this guide contains valuable tips and tools for parents of young children, including early childhood development tools, goal setting techniques, tips for talking about college and information about paying for college.



## Save Cash Through Preventative Pet Care

Like children, pets rely on their human parents for care, nutrition and companionship. When they're hungry, we feed them; when they're dirty, we clean them; and when they're sick, they depend on us to provide appropriate care. Unfortunately, caring for a sick pet can be costly. Follow these care guidelines to help prevent serious pet medical expenses.

**Teeth Cleaning.** Both dogs and cats need regular tooth and gum maintenance to stay healthy. Taking your pet to the vet for regular teeth cleaning can be expensive and most vets require the use of anesthesia to perform dental work. For just a few dollars a month, you can buy pet-friendly toothpaste and toothbrushes to maintain your pet's dental health on your own.

**Vaccinations and medication.** Preventative vaccinations and medicines may seem expensive at first, but the conditions your pet could experience without them would be far more expensive.

Most dogs require vaccinations for rabies, parvovirus, distemper and hepatitis.

Cats need vaccinations for rabies, distemper, feline calici virus and rhinotracheitis. Flea infestations and diseases like heartworm and lime disease can be avoided by using a fairly simple chewable pill and/or topical treatment. Your vet may suggest other vaccinations depending on your pet's breed and lifestyle. Learn more about vaccinating your pet from the American Society for the Prevention of Cruelty to Animals.



**Wellness Exams.** Trips to the vet shouldn't be limited to sick days. Periodic vet visits can help prevent future illness. Your vet can monitor your pet's development and provide useful information to help you keep your pet healthy. Learn more about the importance of preventative pet healthcare at [avma.org](http://avma.org).

# The Price Is Right... or Is It?



Sales – we love them, but have you ever blown your whole budget in one shopping trip? If so, here's something you should know. Stores devise pricing strategies to psychologically fool you, so be aware.

- **Artificial time limit.** We've all seen the "one day only!" sale. Tactics like this spur spending frenzies, making shoppers think it's their only chance to save. What's the secret to avoiding this temptation? Remember that there will always be another sale.
- **Innumeracy.** In the heat of the moment, shoppers may fail to recognize fundamental math as it applies to everyday life. Here's an example: which of these options is the better deal: "Buy one, get one free" or "50% off of two items"? Studies show that consumers prefer the former, even though both sales yield the same results.
- **Price appearance.** Design impacts how consumers perceive a product's value. In some restaurants you may notice that the dollar signs and zeros are missing from prices. Restaurants do this because longer prices tend to make consumers think that items are more expensive.
- **Charm pricing.** Prices ending in 9 create a false sense of a better deal. Studies show that people are more likely to purchase an item that's priced at \$99 versus the same item priced at \$100. Does a dollar really make that much difference? Apparently, it does.

## On Our **MIND**

What's on the mind of OKMM staff? This month director **Angela Caddell** talks about teaching her twins to be money smart from the start.



As a financial education practitioner, I know that teaching children to respect money early in life shapes their money personality. Adults assume that financial concepts are too complex for kids to understand, but children are very receptive to money management lessons. The key is to include them in the process while talking about money in language they understand.

My husband and I plan to use everyday occurrences, like those outlined below, as teaching moments to help our twins grasp personal finance principles.

- **Grocery shopping.** As the twins grow, we hope to use these trips as learning experiences about the importance of comparison shopping. Young children can help clip and sort coupons; explain how coupons work and why the savings are worth the effort. In the store, older kids can compare prices based on product size, function and brand; discuss how these differences relate to the item's value.
- **TV commercials.** Our toddlers already respond to commercials. Instead of changing the channel or muting the television, ask kids to identify the advertised products as either a "want" or a "need." Discuss the difference. Even young children can grasp the concept that needs must be met before wants are considered. Take it to the next level by talking to older kids about the importance of living within your means and what that means for your family.
- **Household chores.** Not every parent agrees, but I'm a firm believer in an allowance. Without their own money to spend, the money management lessons we're trying to teach the twins are just theory. Making their own decisions with earned resources puts these lessons into practice. Talk to kids about ways people earn income and how a college degree increases lifetime earning potential.
- **Family decision-making.** We make choices constantly. While some decisions are simple (what to have for dinner) and some are much more complicated (when to buy a new car), every choice we make has financial implications. Discuss the decision-making process as a family and encourage kids to share their perspectives; their thoughts might surprise you. Through our actions, we hope to teach our children to spend, save and share. Ideally, they'll learn that it's okay to spend hard-earned money, but it's also important to save for the future and to help others through charitable giving and volunteer service.



Is Almost Here!

Access360: *Allies in Higher Education*, OCAP and GEAR UP's Annual Conference set for Sept. 23-24 at the Embassy Suites Hotel and Conference Center in Norman, is rapidly approaching. We're busy putting the finishing touches on what promises to be a fun-filled networking and learning experience. Attendees will enjoy a slate of informative sessions and inspirational speakers that will share fresh ideas to inspire you for the new school year.

- Monday, Sept. 23, will focus on college access and financial literacy. Session topics include an overview of student aid programs and the application process (NASFAA Core sessions), Oklahoma's Promise, FAFSA basics, keeping students' attention when teaching about money, understanding a holistic admission process and much more. Attendees will hear from Chancellor Glen D. Johnson of the Oklahoma State Regents for Higher Education, who will provide an update on key initiatives of the state higher education system.

We've also lined up exciting entertainment for Monday evening: an exclusive showing of the documentary *First Generation* at 4:30 p.m. Narrated by Golden Globe nominee Blair Underwood, *First Generation* tells the story of four high school students – an inner city athlete, a small town waitress, a Samoan warrior dancer, and the daughter of migrant field workers – who set out to break the cycle of poverty and bring hope to their families and communities by pursuing a college education. This showing is open to the public and conference registration is not required to attend.

- Tuesday, Sept. 24, will focus on financial aid and financial literacy. Attendees will enjoy sessions covering cohort default rates, rate challenges and appeals, customizing financial literacy messages, maximizing social media efforts, student loan repayment options and more. Joining us for lunch is keynote speaker Justin Draeger, President of the National Association of Student Financial Aid Administrators. Draeger will give us a national overview of the financial aid industry and provide key insights on the messages we should communicate to students about how to pay for college.

For more updates on speakers, sessions and conference details, visit [Access360Conference.org](http://Access360Conference.org), check out the conference agenda and follow us on Twitter @OKAccess360. We look forward to seeing you there!



## At Your Service

### Self-paced Learning Modules

Hey you! Yes, you. Learning how to make your money matter in every stage of life is one of the most beneficial things you can do! From buying a car or house to getting married and having kids – our modules walk you through these big decisions and give you the tools you need to make informed financial choices.

Our self-paced online modules explore:

**Love & Money:** protecting your financial future no matter your relationship status.

**Money Management for College Students:** making your money work for you while living the college life.

**Budgeting:** getting the most out of your money by creating a realistic spending plan.

**Auto Loans:** learning to look beyond the monthly payment to get the best car for your needs.

**Transition to Independence:** learning to successfully navigate your financial life after college.

**Saving & Banking:** exploring how to plan for your future and build wealth.

Each module includes learning objectives, tools, a quiz and a completion certificate, which make them a great classroom resource, too.

To explore these modules for yourself, visit [OklahomaMoneyMatters.org](http://OklahomaMoneyMatters.org) or learn more by calling 800.970.OKMM or emailing [OklahomaMoneyMatters@ocap.org](mailto:OklahomaMoneyMatters@ocap.org).

# Don't Fall Victim to Mortgage Loan Modification Scams

Despite heightened awareness from media attention, tens of thousands of consumers fall victim to money-stealing scams every day. Mortgage loan modification scams prey on homeowners who are on the brink of foreclosure. Though the federal government created programs and authorized agents to counsel homeowners through the process, unauthorized companies and individuals have gained the trust of vulnerable homeowners while scamming them out of their money. According to [LoanScamAlert.org](http://LoanScamAlert.org), these scams include:

- **Phony counseling or foreclosure rescue.** The “counselor” promises the homeowner they’ll act on the homeowner’s behalf to negotiate with their lender. They encourage the homeowner to stop communicating with the lender and to make payments to the counselor instead of the lender. Unfortunately, the lender never receives information or payments from the counselor and initiates foreclosure proceedings.
- **Mass joinder lawsuit.** This scam is conducted by specialized lawyers or firms who try to convince homeowners to join a mass lawsuit against a specific lending company. This is different than a class action lawsuit, because these firms expect upfront payment and charge unnecessary fees.
- **Fake “government” modification programs.** Unauthorized companies or individuals with supposed knowledge of government acronyms or modification programs entice homeowners to take advantage of their fraudulent services. Sadly, unsuspecting homeowners are duped out of their money by people who aren’t authorized to work on their behalf.

Loan modification scam victims not only lose money, but may lose their homes, too. To avoid being a victim, follow these simple tips.

1. Learn which program is right for you. Visit [MakingHomesAffordable.gov](http://MakingHomesAffordable.gov) or call 1.888.995.HOPE to learn more about mortgage loan modification or other programs for homeowners.
2. Never pay upfront fees. Any government-approved mortgage modification loan program offers free counseling as part of their service. It’s illegal for any company, individual or organization to ask for upfront loan modification fees.
3. Ignore bogus promises from companies. No company can promise they’ll save your home. Everyone’s situation is different and reviewed on a case-by-case basis.
4. Don’t stop communicating with or making payments to your lender. If a company or “counselor” encourages you to stop communication and payment, simply walk away.



Parents with a baby born  
in 2012 will spend  
at least **\$217,000**  
to raise the child  
to 18, not including  
college.

*U.S. Department of Agriculture*

## Savvy Savings

### Homemade Fabric Refresher

#### Ingredients:

- 1/8 cup of your favorite fabric softener
- 2 tablespoons baking soda
- Hot water
- 24 ounce spray bottle

Using a funnel, pour fabric softener and baking soda into an empty spray bottle. Fill the bottle with hot water and shake to combine. Hold bottle 8-12 inches from fabric and spray lightly in a sweeping motion.

Remember to shake the bottle before each use.



## Partner News and Events



September 23-24  
Norman

Visit [Access360Conference.org](http://Access360Conference.org) for conference details.



Free professional development workshop  
“Understanding Today’s Teens”

**Tuesday, October 29th**

10:00 a.m. until 3:00 p.m.

Tulsa Community College, Northeast Campus

Email [pgandy@ocap.org](mailto:pgandy@ocap.org) for more details



Member Meeting:

**Wednesday, October 30**

11:30 a.m. until 1:00 p.m.

Oklahoma City

Email [OklahomaJumpstart@gmail.com](mailto:OklahomaJumpstart@gmail.com) for more details.

### 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 [mneal@ocap.org](mailto:mneal@ocap.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 College Assistance Program and the Oklahoma State Regents for Higher Education.

Visit us online at [OklahomaMoneyMatters.org](http://OklahomaMoneyMatters.org).

To ask questions or share comments regarding this newsletter, email [OklahomaMoneyMatters@ocap.org](mailto:OklahomaMoneyMatters@ocap.org).



#### September

S	M	T	W	TH	F	S
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8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30					

#### October

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