



Nickels & Dimes

WELCOA'S ONLINE FINANCIAL BULLETIN

Banking ONLINE

By Jeff Rubleski, MBA

About a year ago, I started paying my bills online. My bank offered me the service for free, so I thought I'd give it a try. I've noticed that a number of banks are now offering free online banking services. Why are banks doing this?

Banks know that if they can get customers to do their banking online, they will be less likely to switch their banking relationship to a rival financial institution. By keeping the customer with the bank, the customer is more likely to use the bank for other services, resulting in enhanced profit opportunities for the bank.

Online Banking Is Easy And Convenient!

With online banking, establishing payees is easy and only needs to be done once. Recurring payments such as mortgage and car payments can be set up to be paid at the same time each month. Another advantage of paying bills with online banking is that you don't pay any postage.

It's A Real Time Saver

Moving to online banking saves me at least two to three hours a month versus the old manual method of writing checks and balancing month end statements. I no longer need to spend time reconciling my checkbook balance to the bank statement because at any given time I can log on to my account and get a real time snapshot of my account activity and my balance. I love it!

If you haven't tried online banking, look into it. If you have access to the Internet, there is simply no better way to pay your bills, save time, and be in tune with your account balances.

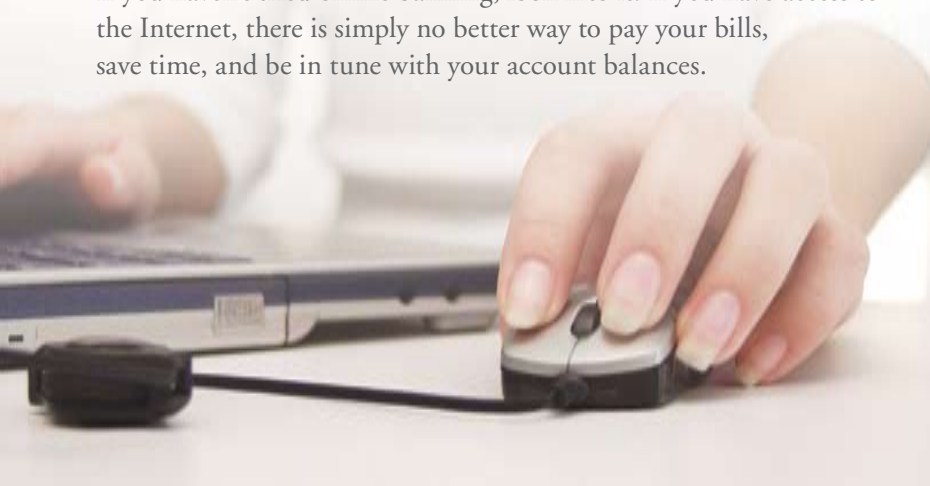
Credit Card Check

Credit cards offer us incredible convenience for the purchase of just about anything that we desire as consumers. But too much of a good thing can get ugly fast. Unfortunately, some people get into a lot of financial trouble when they misuse their credit cards. Consider the following:

- ✓ *The average household has more than \$8,000 in recurring credit card debt, up from \$3,000 in 1990.*
- ✓ *The average rate charged by credit cards is 14.71 percent.*
- ✓ *About 60 percent of active accounts carry a balance from previous months.*
- ✓ *The average cardholder has 2.7 bank credit cards, 3.8 retail credit cards, and 1.1 debit cards, for a total of 7.6 cards per cardholder.*
- ✓ *Americans charged \$1.4 Trillion to their bank credit cards during 2002.*

So where do you stack up based on the above credit card facts? If you carry a balance on your credit cards, know the interest rate being charged. Attempt to pay off the highest interest card first before paying off lower interest debt. Take a look at your spending habits to control future credit card debt. Try to pay balances in full when due to avoid costly interest charges.

Source: CardWeb.com



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The ABC's Of Warranties

What You Need To Know

Warranties come in various forms, so much that they can become confusing. Below is a brief description of the basic kinds of warranties you can get when purchasing a product. Express Warranty. A written statement by the seller that the goods being offered will perform as promised.

Implied Warranty. This warranty is a promise that a product is of average, salable quality. This type of warranty often implies that the customer is always right. In case of dissatisfaction, regardless of the cause, the merchandise will be replaced, or money refunded.

Limited Warranty. A guarantee that the product is of a specified quality and will perform satisfactorily for what is considered the life of the product. However, this warranty might not cover repairs or refunds if it has not been maintained or installed properly (i.e., a washing machine, car battery, etc.).

Full Warranty. A promise that a product will perform in a specific manner, and if it does not, to repair it, generally without charge.

Source: *Consumer Economics*

Caveat Emptor "Let The Buyer Beware"

"Caveat emptor," Latin for "let the buyer beware" is a principle in commerce that states without a warranty, the buyer takes a risk. Fortunately today, most products for sale are now offered with some type of warranty or guarantee. In fact, upon buying more high tech, or high dollar items you might be presented with an array of warranty options.

Do You Need To Extend?

Most warranties will promise a reimbursement or repair if the product fails to meet specifications. However, the length of the warranty varies. Many products, such as cars, computers, and stereos will come with the option of an extended warranty. That is, for an additional price you can buy a warranty that will carry out services beyond the terms of your original contract. But is an extended warranty really worth it?

It's Up To You

The answer depends on your needs and expectations. Keep in mind, that for most high tech products, the original warranty will be good for one to three years. If you're uncomfortable to do your own repairs, you might want to consider buying yourself an extended warranty at the time the original warranty expires.

Regardless of your choice, consider whether your money would be best spent on a system that has better expected reliability.

Source: *CNN & The Federal Trade Commission*

Caveat Venditor

"Let the seller beware if they deceive the buyer"

If you feel your warranty has been violated you should report it to:

The Federal Trade Commission,
www.ftc.gov

