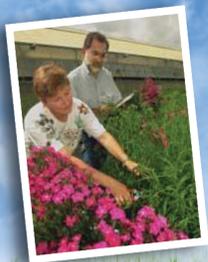




**Marion
County**
FLORIDA

UF | IFAS Extension
UNIVERSITY of FLORIDA



All Under One Roof



Volume 7 Issue 1

Financial Management • Aging Well in Florida

In this issue

- *Annie's Project*
- *The Less Money You Have, The More Things Cost*
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Upcoming events

Homebuyer Education (4-Part Series)

May 1, 8, 21, & 29, 2015

5:30-8 p.m.

June 1, 8, 15, & 22, 2015

5:30-8 p.m.

July 7, 15, 22, & 29, 2015

5:30-8 p.m.

No August Class

Sept. 3, 10, 17, & 24 2015

5:30-8 p.m.

For more information or to register, contact our office at 352-671-8400.

Women and Unique: Money Issues

(4-Part Series)

For more information or to register, contact On Top Of The World at 352-861-9751.

Annie's Project (6-Part Series)

For more information or to register contact 352-671-8400

Annie's Project Returns To Marion County



Annie's Project is an educational program for women in agriculture. The program honors the legacy of Annie Fleck, a woman from a small town in Illinois, who spent her lifetime learning how to become a better business partner with her husband. Annie's Project was designed to enhance business skills to help farm/ranch women gain the understanding and knowledge necessary to be successful agripreneurs. The course also helps women find new ways to balance the demands of family, community, and professionalism within the Ag Community. Sessions will combine lecture, discussion, individual and small group activities, and software training. Curriculum topics include:

- Women and Money
- Human Resources
- Social Styles
- Financial Recordkeeping
- Farm Succession
- Retirement & Estate Planning
- Insurance
- Business Plans
- Alternative Enterprises
- Marketing
- How to Interpret Information
- and much more!

"I was brought up on a farm, and I've learned that every opportunity that I've had in my life has come from hard work and persistence."

Susan Bysiewicz

At the end of the program, farm women will know more about:

- Making critical decisions for their operation; asking the right questions.
- Sustainability of their farming operation.
- The importance of implementing risk management strategies.
- Accessing local and regional resources and support.

Classes will be held 4: 30 – 7:30 p.m. June 2, 9, 11, 16, 23, and 30, 2015 at UF's Equine Science Center's conference room located at 2655 Northwest 100th St., Ocala, FL 34475. Refreshments will be provided. A \$100.00 fee and registration must be postmarked by May 26, 2015.

The Less Money You Have, The More Things Cost

I Want It Now!



With only one more vacation day remaining before he returned to work to begin the New Year, he lounged on his smelly and worn sofa. "...Finishing out the *old* year watching an *old* movie in my *old* living room", is how he described his thought process that day.

Returning from the kitchen with his cheese and crackers, he plopped on his sorry sofa. There, unfolding on the screen before his very eyes, was a living room he would be proud to own. It could all be his and so easily! The store was right down the street. They were open and they said they would deliver for free! (All they needed from him was a signature.) Who cares how the movie ended; he had seen it a million times already. He jumped in his car, eager to sign on that dotted line. This year the Super Bowl party would be at his new furnished man-cave. His new and improved living room included a sofa, two easy chairs, and coffee table. He would pay \$44.99 for eighty-three weeks. ("Of course he could afford less than \$50 a week!" he rationalized.) Paying weekly, he would pay \$3,224, all because he wanted it before he could purchase it outright. The pieces retail for about \$1,650, one half of what he will end up paying! *He wants it now so it will cost more.*

Rent-To-Own Defined

Appealing to individuals unable to make a cash or credit purchase, the rent-to-own customer takes possession of the goods right away with little more than a signature. No down payment or credit check are required. The rent-to-own industry (also known as the rental-purchase industry) rents goods and merchandise to consumers, with an option to purchase. Examples of merchandise they offer include furniture, appliances, home electronics, jewelry, and computers. Specialized dealers may offer musical instruments, tires and wheels, or automobiles. RTO agreements are short term; a weekly or monthly term is most common. The consumer is not required to make payments beyond the term of the contract. That means if they continue to pay, they keep the merchandise. If payment is not made, the goods are reclaimed by the dealer. Goods are offered on a temporary basis but the option to purchase is always on the table.

Inflated Price Tag

As our friend was soon to learn, purchasing RTO merchandise can be very expensive because goods are priced two to three times higher than retail price. The industry justifies high pricing touting they allow customers to return items after as little as just a week, leaving them with a product that has lost significant value because it is no longer new. They buttress their pricing argument with claims of having to absorb loss for missed or late payments, and damaged, lost, or stolen products. Another rationale RTO's use for pricing goods significantly higher than mainstream retailers is high labor costs due to pick up and delivery (Isn't this just part of it?).

Limited Regulation

Unfortunately, regulation of this industry is limited. The Federal Trade Commission governs credit or lease transactions and these types of transactions are not considered credit transactions. Meanwhile, consumer advocates argue these transactions are not leases, that they are really credit sales and should be subject to federal and state consumer credit laws. In an effort to protect citizens from predatory practices, a few state courts (New Jersey, Minnesota and Wisconsin) have ruled that RTO transactions are indeed credit sales. Advocacy for more regulation continues. In addition to the high cost of RTO transactions, because the consumer is not obligated to purchase the item, payment histories are not reported to the major credit reporting agencies -- Equifax, Experian and TransUnion. In other words, you cannot build credit making RTO payments.

"I don't mind going back to daylight saving time. With inflation, the hour will be the only thing I've saved all year."

Victor Borge



“You begin saving the world by saving one man at a time; all else is grandiose romanticism or politics.”

Charles Bukowski

Indeed, the less money you have, the more things cost. Consider developing a financial goal plan for your next major purchase. You will be better off. Learn how to make a plan by visiting *Building a Spending Plan series* http://edis.ifas.ufl.edu/topic_series_building_a_spending_plan or visit <http://americasaves.org/for-savers/pledge> to learn how to take the pledge, set a goal, and make a plan.

References:

<http://www.consumerreports.org/cro/money/shopping/rentcenter/overview/index.htm>

PREPARED STATEMENT OF THE FEDERAL TRADE COMMISSION On Rent-to-Own Transactions before the HOUSE FINANCIAL SERVICES COMMITTEE FINANCIAL INSTITUTIONS AND CONSUMER CREDIT SUBCOMMITTEE July 26, 2011 http://www.ftc.gov/sites/default/files/documents/public_statements/prepared-statement-federal-trade-commission-rent-own-transactions/110726renttoowntestimony.pdf

<http://www.msn.com/en-us/news/us/in-america-why-the-poor-pay-dollar4158-for-a-dollar1500-%E2%80%98rent-to-own%E2%80%99-sofa/ar-BB9w32K>

The ABLE Act



New Law Helps Those Living with a Federal Disability Achieve a Better Life Experience

In the past, if you receive federal disability benefits, you had to keep your assets limit to less than \$2,000 or risk the loss of these benefits. As if a disability weren't penalty enough, this "old way" further penalized individuals who need to establish an emergency fund and build savings.

Now there's a new law that changes these rules good news for those receiving these benefits. Congress has just passed the Achieving a Better Life Experience (ABLE) Act, and after the President signs it, it will become law. Regulations still will have to be written and individual states still need to set up their respective programs, but after seven-plus years in the making, this change is about to become a reality.

Soon, gone will be the day when the struggles of living with a disability are compounded by the fact that a person can't even put aside rainy day funds. **Instead, people receiving disability benefits will be able to save funds in a special account called an ABLE (Achieve a Better Life Experience) account.**

What This New Law Means

Simply stated, disabled individuals and families will be free to save private funds to maintain their health, independence, and quality of life. ABLE accounts will have no impact on Medicaid eligibility. As with most legislation though, there are a few conditions to take not of. For instance, the law stipulates that a person must be diagnosed by the time he or she is twenty-six.

Accounts Can Be Used in Many Ways

Under the new law, ABLE Accounts are fairly flexible. They can be used for a number of purposes, as long as the money goes to the benefit of a person with a disability and is related to the disability. Some things ABLE accounts can be used for include education, housing, transportation, employment support, assistive technology, personal support services and health and wellness costs. Because we know health-related expenses can choke budgets all the way from private households up to the federal budget, this is extremely significant.



“Theoretical physics is one of the few fields in which being disabled is no handicap - it is all in the mind.”

Stephen Hawking

Guidance is Available

Is saving new to you or someone you know because it was prohibitive in the past? Visit <http://americasaves.org/for-savers/pledge> to learn how to set a goal, and make a plan. UF/IFAS Extension is another good resource for information. Here are some helpful publications to read at your own convenience:

Building a Spending Plan series http://edis.ifas.ufl.edu/topic_series_building_a_spending_plan

Individual Retirement Accounts <http://edis.ifas.ufl.edu/pdffiles/FY/FY64200.pdf>

Money and Marriage: Saving for Future Use <http://edis.ifas.ufl.edu/pdffiles/HE/HE15800.pdf>

References

H.R. 647: ABLA Act of 2014. Retrieved December 19, 2014 from: <https://www.govtrack.us/congress/bills/113/hr647>

H.R.647 - ABLA Act of 2014 113th Congress (2013-2014). Retrieved December 19, 2014 from: <https://www.congress.gov/bill/113th-congress/house-bill/647>

Levin, E. (2014). *Congress Passes the ABLA Act: Savings Accounts for People with Disabilities*. Retrieved December 18, 2014 from: http://cfed.org/blog/inclusiveeconomy/congress_passes_the_able_act_savings_accounts_for_people_with_disabilities/

O'Neill, Barbara, and Jane White. 2013. *Financial Fitness for the Best Rest of Your Life: What Older Adults Need to Know about Money*. New Jersey Coalition for Financial Education, Rutgers University. Accessed May 2013. <http://njaes.rutgers.edu/money/pdfs/older-adults-money-advice.pdf>.

Thank you to Gentiva Hospice for sponsoring this newsletter.



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Mission Statement

Florida Extension partners with communities to provide quality and relevant education, and unbiased, research-based expertise to foster healthy people, a healthy environment, and a healthy economy.