

OKMM™

OKLAHOMA MONEY MATTERS

Your Bottom Line

Your go-to resource for timely information about personal finance, college planning and student loan management



Psychology of Grocery Shopping

Ever shopped in a grocery store and wondered why you came home with more than you planned to buy? If you ever walked out of a store feeling guilty, don't. Product manufacturers invest large amounts of money and research on marketing tactics to entice you to purchase their products. Here are just four of the countless tactics used to encourage consumers to buy more.

- **Store Layout.** The store's layout and product placement play a role in which items you purchase. You may already know that the grocery store perimeter is where grocery staples – such as milk, eggs, meat and other perishables – are located. Unfortunately, you have to walk through aisles of tempting items to reach them. As you pass through aisles, be

mindful of the items that catch your eye. The University of Southern California's report, [The Psychology of the Grocery Store](#), shows that the most profitable areas in a store are found at the ends of aisles (end caps) and manufacturers pay additional money to place their products there. They also state that products placed at eye level provide the largest profit margin.

- **Color.** The University of Southern California's report also describes eight colors that marketers use to enhance their product packaging. For example, red is considered "attention-grabbing, exciting and inviting," while orange "mimics the color of fat and evokes feelings of hunger." Blue "releases trust hormones

and encourages a sense of responsibility." Be aware of how you react emotionally to items before you place them in your basket.

- **Sound.** Do you ever listen to the music blasting throughout the store? How do your feet move to the beat? Martin Lindstrom, the author of *Buyology - The Truth and Lies About why We Buy* and *Brainwashed - Tricks Companies Use to Manipulate and Persuade Us*, told *Readers Digest* that "many stores play music with a rhythm that's much slower than the average heartbeat, which makes you spend more time in the store—and buy 29 percent more."
- **Scent.** When you enter a store,

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Fun Fact
Scholarship Searches



Q&A:
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On Our Mind:
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Mid-Year Financial
Checkup



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what items do you immediately see? Is there a bakery or deli near the entrance? Is there an area for fresh produce and flowers? These items smell great and are strategically placed to encourage a happy mood so customers will buy groceries.

So how do you overcome these marketing tactics? One tool that can help is a shopping list. Make a plan and stick to it. This includes crafting a budget so you don't overspend. Want tips to help you create a solid grocery budget? Visit [OKMM's Budgeting Module](#).



FUN FACT

Over the summer, Americans will consume 176 million orders of popcorn, 12 million hot dogs, 36 million servings of nachos and enough Twizzlers to circle the globe.

The National Association of Concessionaire

Scholarship Search

Too many people hurry through the college application process without paying enough attention to financial feasibility. Even if you think you might be able to afford college on your own, there are so many scholarships available that you may be able to cover your costs with little or no student loan debt.

Books are a great way to find scholarships. Visit the section dedicated to scholarships at your local bookstore and you'll find plenty of resources on the topic. The *Ultimate Scholarship Book* and the College Board's *Scholarship Handbook* are two that are always reliable.

Oftentimes employers offer scholarships for their employees and the employee's family. Bulletin boards at churches, the YMCA, community centers, libraries or other public places are another great place to look. Some restaurants and retail stores offer scholarships, although you would need to check with the specific company to be sure.

If you take your search to the internet, don't fall for scams or apply for scholarships that are old and no longer offered. Begin with your school, as colleges usually post scholarships on their financial aid webpage. If you're looking for a local organization, the [Oklahoma City Community Foundation](#) offers a number of scholarships on their website. On a national level, [Unigo.com](#) is a dependable online resource with hundreds of scholarships. There are even sections for weird or unusual scholarships that have fun themes like superpowers, zombie apocalypse or ice cream flavors. [OKcollegestart.org](#) is another reputable online resource for students who are looking for scholarships. The site offers advanced tools to help you prepare and pay for college, and provides information on admission requirements, financial aid, college costs and more.

For more information on this topic, visit [UCanGo2.org](#) and don't forget to check out the [Scholarship Success Guide](#), which includes a list of specialized scholarships



Renters Insurance

Elisa Ayala, Agent

Farmers Insurance Agency

Farmers Insurance Agent, Elisa Ayala answers our questions about buying renters insurance.

Why is it important to buy renters insurance?

It's amazing how much stuff we acquire over time. Items like computers, TVs, DVD players, digital cameras, tools, clothes, electronics and major appliances... just imagine having to replace all those items. While a landlord will usually carry insurance on the rental property, it won't pay for the replacement of a renter's personal belongings if there were a fire, tornado or theft, nor will it cover your relocation costs. Renters insurance is a great way to avoid having to use your emergency funds to replace personal items after suffering a loss.

What's the difference between renters insurance and homeowners insurance?

Renters insurance helps protect your personal belongings while you're renting or subletting a house, apartment, duplex, condo, studio or townhome. Homeowners insurance is for those that own their primary residence.

What items or events does renters insurance cover?

Renters insurance covers not only personal belongings, but also provides liability protection in the event a visitor is injured in your home. It can also cover expenses related to temporary housing after a tornado or fire and personal property in case of a theft or burglary.

Why doesn't the landlord's insurance cover a renter's belongings?

Landlords are not required to carry insurance for their tenants, since they are only responsible for the property. Landlords can only insure property that they have an invested interest in and that they own; it's the tenant's responsibility to protect their own personal belongings.

Is renters insurance expensive?

Renters insurance is very affordable. Most people spend more at Starbucks each month than what an insurance policy would cost.

How much renters insurance should someone buy?

Taking a home inventory is one of the best ways to determine how much coverage you need. Buy the

insurance policy that would cover the replacement of all your items. When taking an inventory, start with one room and write down the amount of money you have invested in all the items in that room, then do the same for each additional room in your home. Consider adding an additional 10 percent to cover any new items you might acquire in the future.

What tips do you offer for finding the best renters insurance policy?

There are two different types of coverage options for renters policies. The primary difference between the coverage is how the insurance company will pay the policy holder after they suffer a loss. I always recommend the replacement cost coverage because it pays you the dollar amount needed to replace personal property at today's price without any deductions for decreased value or depreciation of your property. The other coverage option is actual cash value. This coverage pays the policy holder an amount equal to the replacement value of damaged property minus the decrease in value over the years. When shopping for renters insurance ask your agent about coverage options.



Kick Your Reading into Overdrive

It's a known fact that libraries loan books for free. Patrons have long enjoyed accessibility to new books, old classics, audiobooks, e-books, academic texts, magazines, language learning tools, graphic novels and movies, along with other valuable resources. Traditionally, acquiring these resources would require a visit to the local library and a search of the catalog. If your selection was not available, the librarian

could often borrow your item from another library and notify you when it would arrive.

As with many other aspects of our daily lives, technology has made borrowing books from a library much easier. [Overdrive](#) is a search engine, e-book and audiobook platform for public libraries. The platform works with several major public library systems in the OKC area, including Metropolitan, Pioneer, Department of Libraries and the OK Virtual Library. To access these online resources, all you need is your library card and an internet connection. With your Overdrive account you can add libraries you wish to access. Metropolitan and Pioneer offer reciprocal cards, so anyone living in either service area can get both cards, increasing the number of books you can search through Overdrive.

In addition to the benefits of having instant access to library resources, you no longer have to worry about return dates or overdue book fees. Once downloaded, you can read books in your browser window, or if you're using your phone or tablet, use the Overdrive app. The app lets you adjust font size, brightness, even the screen's background color for nighttime reading. Once you download an e-book or audiobook onto your device, you don't need an internet connection to read or listen to it. When the loan period runs out the book is automatically returned and deleted from any device to which it has been downloaded.

Often Overlooked Travel Expenses

The vacation has been booked, travel arrangements have been made, and requests for time off have been approved. You're ready to soak up the sun or explore historic cities. Before embarking on some much needed R&R, don't forget to consider expenses that many forget to calculate into their vacation budget.

Passport. If you aren't traveling abroad this may not be an issue, but if you're traveling to another country you'll definitely need a passport for every member of your travel party. If you're planning a cruise, a passport is typically not required. However, it's recommended if you book cruise excursions in case you literally "miss the boat." A passport would be handy when navigating a foreign country or locating a U.S. Embassy to try to get back home.



Kennel and boarding. Unless you're planning on taking the family pet along, you'll need to find someone to take care of your four legged family member. Many kennels require advance bookings, so you'll want to contact them as soon as possible to ensure a spot. Additionally, check for shot requirements, such as kennel cough, and spay/neuter requirements. You may need to provide documentation of these as well as a statement from your vet that your pet is free of fleas.

Currency exchange. Depending on which country you travel to, the U.S. dollar may be worth more or less, so you'll need to account for that when estimating travel expenses and how much cash you'll keep on hand. You may want to consider downloading a currency exchange app that will convert the dollar amount for you.

Find the Right Internship

An internship provides valuable work experience and networking opportunities. It allows those with little to no work history to decide if the career position and/or industry they've chosen is right for them. When searching for the right internship, students should ask the following questions:

Will the work environment be conducive to learning? Consider your learning style. Are you more successful in a fast-paced atmosphere or do you need more predictability? Regardless of what type of atmosphere you prefer, your workplace environment should be comfortable and educational.

Will there be cross-training opportunities? An internship should allow you to take on multiple responsibilities that relate to your career path; not just making copies and getting coffee. A quality internship will offer opportunities to perform research, sit in on potential client interviews and prepare documents, as well as other duties. When you're interviewing, don't hesitate to ask about the specific responsibilities you can expect to perform during your internship.

Are there mentorship opportunities? Gaining a mentor in your field of study or area of career interest is a vital opportunity to learn from people who have achieved success in the field. Typically, those with a mentor are more successful than those who don't have a mentor.

For tips on writing a resume and successful interviewing techniques, check out OKMM's [Transition to Independence Module](#).



On Our MIND



What's on the mind of OCAP staff? This month, OKMM outreach specialist, Bridgette Nichols, talks about developing a personal mission statement.

I have been a fan of [FranklinCovey](#) for several years. The company is best known for their training programs and publications, such as *The 7 Habits of Highly Effective People*. On their website, under the [resources tab](#), is a tool for building a personal mission statement. It asks a few questions and guides users through crafting a mission statement (also known as a purpose statement). Once completed, my only regret was that I hadn't utilized this tool sooner.

The process of writing my personal mission statement brought about insightful realizations. The personal mission statement encompasses all aspects of life, not just career. Having an outline for reaching my goals gives me a sense of purpose. This is helpful for those days when I may not want to give it my all. Having a personal mission statement to reflect upon helps to negate feelings of discontent or anxiety about the direction my life is heading. Having a mission statement helps to keep my goals clear and my life on track. When a business has a mission statement, the company develops a strategic plan to fulfill that mission. Just as in any business, I have a plan to work toward, too.

What I learned while writing my mission statement had a profound impact on where I was and showed me where I really wanted to be. I'm at my best when I'm passionate about what I'm doing. That may seem like an obvious realization, but there are times in life where we get stuck and end up going through the motions. Now I focus on growing or learning. I resolved to work where I implement meaningful programs, network and develop relationships, and consult and develop resources. In my personal life I focus on my love for reading, camping, planning for the future, traveling and investing in my children and family. I make it a point to find opportunities to use my natural talents and gifts.

A personal mission statement is a resource when times get tough and it's hard to remember why it's important to go to school, manage your finances, or strive for that demanding, but rewarding position. A personal mission statement provides the why. Developing my statement helped to give me the courage to embrace my destiny, surpass expectations, and realize my passion to inspire others to live life to its fullest.



Do you qualify for the Public Service Loan Forgiveness Program?

The [Public Service Loan Forgiveness Program \(PSLF\)](#) allows for student loan forgiveness for qualifying individuals who are employed by organizations like government entities or nonprofits. Unlike many other loan forgiveness programs, once the loan is forgiven, the remaining balance is not considered income you would have to claim on your taxes.

To be eligible for PSLF, you would need to meet the following three requirements.

- **Qualifying employment.** You must be employed full-time by a public service organization when you apply for the loan forgiveness program and throughout the length of your repayment period. You and your employer will need to fill out the [PSLF: Employment Certification Form](#) to verify that your place of employment qualifies.
- **Qualifying loan.** Your student loan must be a [Direct Loan](#). If you have a [Federal Family Education Loan Program \(FFELP\)](#) loan, it will need to be [consolidated](#) into a Direct Loan through the U.S Department of Education. If you're unsure what type of loan(s) you have, access the [National Student Loan Data System \(NSLDS\)](#) to retrieve your federal loan information.
- **Qualifying monthly payments.** Once you've met the above requirements, you'll be required to make 120 qualifying monthly payments. This will take at least 10 years to complete. The PSLF: Employment Certification Form is a good tool that you can submit periodically to the [U.S. Department of Education FedLoan Servicing](#) or to your loan holder to ensure you're staying on track to receive your PSLF. Payments made within an approved [repayment plan](#) will count toward the 120 payments, even if you qualify for a \$0 monthly payment. Since the payments don't need to be made consecutively, the program can be "paused" if you decide to go back to school for a master's or doctoral program ([deferment](#)) and then resumed once you finish the degree program. The same is true if you experience economic hardship or military deployment, as long as you complete the proper paperwork and your request is approved.

If you believe you work in an eligible public service field and you have student loan debt, this program is worth checking into. To learn more, visit the [Federal Student Aid](#) website and check out the [PSLF Fact Sheet](#) or [PSLF Q&A](#).

At Your Service: Financial Friday

Do you have money management questions? Take advantage of Oklahoma Money Matters' (OKMM) *Financial Friday* service, a user-friendly question and answer forum that allows people to anonymously submit personal finance questions through our website and receive the answers they need.

Each month we answer a question submitted by one of our site visitors. Recent editions have explored student loan forgiveness, automating savings, technology that helps you reach financial goals, teaching children to give and saving for retirement as a stay-at-home parent.

If you'd like to subscribe to *Financial Friday* for your personal use or to make it available to your students, staff or clients, email OklahomaMoneyMatters@ocap.org. On the last Friday of each month you'll receive our *Financial Friday* email blast, which you can distribute through email, include in a newsletter or post on your social media profiles and/or website. For a more customized experience, OKMM staff can help you develop website text or an online button to promote the service to your target audiences!

To learn more about *Financial Friday* and how it can benefit those you serve, call 800.970.OKMM or email OklahomaMoneyMatters@ocap.org. To see more topics we've covered, visit the [Ask OKMM Q&A Forum](#).



Perform A Mid-Year Money Checkup

Becoming financially fit is a common new year's resolution and summer is a great time to assess the progress you've made toward reaching your financial goals. Here are several areas to address in your mid-year financial checkup.

- ✓ **Prep for next year's taxes.** You just submitted your tax paperwork to Uncle Sam, so now is a great time to address any issues you may have experienced during the process and craft a plan to put you ahead of the tax prep game in 2018. Consider creating a tracking spreadsheet to log your tax-deductible expenses or designating a special place in your fireproof safe to store tax paperwork and receipts.
- ✓ **Examine your budget to find cost-saving opportunities.** It's a good idea to routinely reassess your spending plan to make sure it's still meeting your financial needs. Identify ways to eliminate spending waste, like memberships you aren't using or routine habits that prove more costly than you would like. To reach your goals more quickly, redirect funds to something that's more financially rewarding.
- ✓ **Get a clear picture of your financial situation.** Write down all of your debts and how much you owe. List them in order from smallest balance to largest and draft a plan to accelerate payments. Imagine what life will be like when one or all of the debts have been eliminated. Paying off debt is like giving yourself a raise.
- ✓ **Review your investment options.** Talk to a financial advisor to determine your risk tolerance and explore investment options. If you're already actively investing, examine the performance of your portfolio to determine if any changes need to be made and consider raising your savings allocation.
- ✓ **Check your flexible spending account.** Money in traditional flex accounts is forfeited if it's not used within the calendar year. To make sure you're maximizing your benefit and aren't at risk of losing your hard-earned money, check the balance on your flexible spending account and compare it to potential qualified expenses you may make throughout the remainder of the year.
- ✓ **Change your passwords.** Identity theft can put a major dent in your financial health. If it's been awhile since you've updated your account passwords, consider changing them to a secure passphrase. Longer passphrases are more secure and it's best to include a mix of numbers, letters and special characters, and avoid common dictionary words.



Partner News and Events



Member Meeting:
Wednesday, June 28
11:30 a.m. until 1:00 p.m.
Credit Union House of Oklahoma

For more information,
email Pam Campbell at pam.campbell@kc.frb.org
or visit OklahomaJumpstart.org.

Have News to Share?

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



Oklahoma Money Matters (OKMM), an initiative of the Oklahoma College Assistance Program and the Oklahoma State Regents for Higher Education, 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.

Visit us online at
OklahomaMoneyMatters.org.

To ask questions or share comments regarding this newsletter, call 800.970.OKMM (toll free) or email OklahomaMoneyMatters@ocap.org.



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