

Note: Due to production lead time, this issue may not reflect the current COVID-19 situation in some or all regions of the U.S. For the most up-to-date information visit [coronavirus.gov](https://www.coronavirus.gov).

Protection Plans: Pros and Cons

The decision to purchase a protection plan (a form of insurance) for an electronic device comes down to whether it makes financial sense and what is included or excluded.

Thoughts to consider before purchasing that plan:

- **The manufacturer's warranty covers the first year.** In most cases, if a device lasts through the first year, it will survive the length of the protection plan.
- **Electronics are updated often.** At the end of the original warranty, you may not want, or be able, to repair the model you have and upgrade with a newer device instead.
- **If the protection plan costs more than the repairs,** it makes more sense to put the money you would spend on the plan in an emergency fund for repairs.

Before purchasing a protection plan, ask a few questions:

- 1 **What does the plan cover?** Some plans have a lot of exclusions that make coverage ineffective.
- 2 **How long does the plan last?** Protection plans range from 90 days to three years.
- 3 **Does your renter's or homeowner's insurance cover your device?** Did you purchase with a credit card? Check for defective device coverage.

Bottom line: If your budget can't cover unexpected problems, consider getting a protection plan. Otherwise, keep that money for repairs or replacement.



Build Your Credit with These Strategies

Credit can seem scary; our credit score impacts so much of our financial lives. A good credit score can save you serious amounts of money on loans or interest on accounts.



Building and maintaining good credit isn't difficult, but it does require attention and discipline.

Payment history and amounts owed make up 65% of your credit score. Paying your bills on time and paying down your debt (without continued spending) can positively impact your score.

The other components are length of credit history (15%), number of new accounts (10%) and types of credit used (10%). To improve your score, avoid opening any new accounts. If you have old accounts on your credit report, do not close them just for the sake of closing them. You will impact your debt to credit limit and your credit history.

Also, shop for credit wisely. Since your credit score gets pulled when you shop for a loan, submit applications to potential lenders within two weeks. Lots of credit inquiries can decrease your score. But the system won't treat a cluster of credit inquiries (for a car or home loan, for example) within a short time unfavorably. Credit takes a long time to build up, but it can be knocked down relatively quickly.

Note: Due to COVID-19-related fraud, the three credit reporting agencies, Equifax, Experian and TransUnion, are providing free weekly online credit reports through April 2021. Learn more at [annualcreditreport.com](https://www.annualcreditreport.com).

TOP DOLLAR TIP: NEAT IDEAS FOR ICE CUBE TRAYS

1. **Homemade baby food is great for babies and easy to store when you use an ice cube tray.** Fill each compartment to the top with your pureed blends, and freeze.
2. **Freeze herbs for the winter.** Fill the compartments with fresh herbs and olive oil. Then, thaw a cube any time you need to flavor a dish.
3. **Freeze leftover egg whites.** Have a recipe that calls for egg yolks? Don't toss those egg whites. Freeze them instead in an ice cube tray and thaw when needed.



TOP DOLLAR DICTIONARY: Virtual Financial Planning

In the past, financial planning focused on sitting with clients in person, discussing financial strategies for personal goals and challenges. However, technology has allowed for a new planning model, virtual financial planning. Planners now use web-based tools and technology to serve clients, regardless of where the client or planner happens to be. The only change from traditional planning to virtual planning is that you video conference with your planner instead of in person. This new format allows planners to reach clientele who can't meet with them otherwise.



Prescription Drug Help

Medication costs can be a large chunk of your budget. Here are 6 ways to save:

- 1 Buy in bulk.** Ask your health care provider about getting a prescription for a 90-day supply, which may cost less than refills every 30 days. Your provider can tell you if your health insurance has a quantity limit on your medication.
- 2 Buy generic.** Ask your health care provider if it's safe to switch to the generic version of any medication. Making the switch can save you 20% to 80% on a prescription. Many big box chains offer many generic prescriptions for as little as \$4. **Note:** Your health care plan may require using generics whenever possible.
- 3 Ask your health care provider or pharmacist about coupons.** Pharmaceutical reps often give coupons to providers or pharmacists to give out on request for new prescriptions. Also compare prices among pharmacies that your health insurance plan works with (in-network pharmacies).
- 4 Get it for free.** Some large supermarket chains fill basic antibiotic prescriptions such as amoxicillin for free.
- 5 Ask for samples.** When your provider writes a new prescription, ask whether samples are available. This way you get a few pills for free, plus you can make sure you don't experience any side effects before you pay to fill the entire prescription.
- 6 Drug maker assistance programs** — Do you qualify for the low-income assistance programs drug manufacturers and nonprofits offer? Enter the name of your prescription medication and diagnosis into NeedyMeds.org to see if you qualify.



Home Buying: What Can You Afford?

Purchasing a home can be an emotional experience. One way to make rational financial decisions emotionally is to think through what you need and want before you step foot into a potential new home. Take these steps before you contact a real estate agent:



- ✓ Look at your current budget.** Experts recommend limiting total monthly home costs to 35% of budget. This includes principal and interest includes mortgage principal and interest as well as taxes and insurance. It is important to know this amount before you begin looking for a home.
- ✓ Calculate closing costs.** Depending on the purchase price of the home, closings costs start close to \$5,000 or higher. Your mortgage lender can give you a Good Faith Estimate detailing what you will be responsible for on closing day.
- ✓ Assess possible budget increases.** Will the new home be larger? Older? Utility costs can increase with a new home. Can you afford higher utility costs? Will you have annual homeowner association fees? Condos have monthly owners' dues. Are you buying new furniture or appliances?

Bottom line: Buying a home is exciting and fun. Think through all possible costs to make sure you aren't taking on more expenses than your budget can handle.



The Smart Moves Toolkit, including this issue's printable download, 3 Common Fitness Questions, is at personalbest.com/extras/20V9tools.