

Using Cash back, Rewards and Rebates

Did you know that April is Financial Literacy Month? Financial Literacy month was originally started as Youth Financial Literacy Day by the National Endowment for Financial Education (NEFE). NEFE partnered with the Jump\$tart Coalition who began promoting April as Financial Literacy Month. March 9, 2004 Senate Resolution 316 officially made April Financial Literacy Month in the United States.

In honor of Financial Literacy Month, let's talk about a savvy way to make a little extra income-utilizing cash back, rewards and rebates.

Cash back rewards are mainly associated with credit cards. There are many credit card options out there that offer rewards. These can be in the form of cash back or points towards a specific item i.e. travel. Being smart and strategic with credit cards that offer rewards can pay off as long as you are aware of the risks and plan ahead to avoid them. It can be really easy to run up a balance on a credit card. If you don't pay the card off each month you might end up paying for your rewards in interest! Make sure you are prepared to pay the balance off every month. Something else to be aware of is many of these rewards programs charge fees and/or have specific program requirements. For example, some cards charge an annual fee just to have the card. It is important to make sure the rewards you are getting are more than these fees. Another common program requirement to watch for is points that expire. Make sure you can realistically use the rewards within the required time frame. Make sure you understand any fees and program requirements associated with your rewards card. To get the most mileage out of a reward card, use the card for the everyday expenses that you would be spending money on anyway.

Along the same lines as credit card rewards there are other apps and programs that offer rewards for doing specific activities. An example of this is programs that offer points for following an exercise program or tracking your calories. These kinds of rewards are sometimes offered by employers, insurance companies and some apps. These points can then be later redeemed for gift cards or cash. Just as with credit card rewards programs it is essential that you read and understand all of the terms and conditions before signing up. Some red flags to watch out for are: if it sounds too good to be true it probably is, any pitch that has a sense of urgency to it (you must act NOW), request for payment upfront (remember it's not a prize if you have to pay for it) and explanations that don't make sense. Trust your gut, you know when something doesn't sound quite right.

A rebate is a portion of the cost of a product that is returned to the customer. Traditionally this was you purchase a large ticket item, mail in the rebate form along with any required documentation like the barcode and the manufacturer sends you a check for the rebate amount. Some companies still do these types of rebates and according to a report from *Consumer Affairs* over \$500 million in rebates go unclaimed every year and according to the *Wall Street Journal* about 40% of mail in rebates are denied for being filed incorrectly or never claimed. Manufacturers count on these rebates not being claimed in order to not lose money in offering an attractive sales price. When sending in for rebates, make sure you read and follow all the instructions for deadlines, purchase dates and documentation to reduce your risk of the rebate

being denied. You may also want to keep a copy of all the rebate information you send in, just in case you have to dispute a denial.

A more modern form of rebates are programs where you scan your receipt and receive either points or cash back or both. Some apps require you to load the coupon before you purchase and then scan your receipt and some allow you to just scan your receipt. Some apps even allow you to stack coupons and rebates to increase your reward. Some things to be cautious about when using these apps and programs is make sure you understand all the terms and conditions. Sometimes there are hidden fees or time limitations on rewards, so as with all the other programs mentioned, be sure you understand all of the terms and conditions to take full advantage of the rewards program.

None of these ideas are likely to make you rich and not every technique will work for each person, but taking the time to do a little research and incorporating a few doable things can help put a little money back in your pocket for things you are already doing anyway.