Health & Retirement Services of Illinois

Newsletter April 2014

OUR NEWS LETTER

AARP urges caution on Part D proposal

By Elise Viebeck March 07, 2014, 05:00 pm

The Obama administration has to beef up the appeals process in Medicare Part D before it rolls out changes to the program's protected drug classes, the nation's largest senior lobby said Friday.

AARP tentatively backed parts of a proposed overhaul to Part D but urged caution when it comes to modifying protected-class status for some medications without adequate recourse for seniors who need better access to the drugs.

"While AARP agrees with the premise of the need to periodically reevaluate and potentially modify some or all of the protected classes — which should improve plan sponsors' ability to better negotiate prices with drug manufacturers — we strongly urge [regulators] to take additional precautions prior to implementation that will help ensure this change does not negatively affect enrollee access," the group wrote in comments Friday.

AARP's perspective will carry considerable weight with the administration, but so will the opinion of Republican and Democratic lawmakers who have roundly criticized the proposed changes as risking harm to beneficiaries.

The administration is facing a full-scale backlash from the healthcare world and Congress toward its proposal, which it argues will help reduce costs and overprescribing in Part D.

At stake in the fight are three classes of drugs that currently have "protected status" in Medicare: immunosuppressants, antidepressants and antipsychotic medications.

Regulations proposed earlier this year would remove those special designations, allowing insurers to limit the number of drugs they cover in each of the three classes. Three other types of drugs — cancer, HIV and anti-seizure meds — would retain protected status under Medicare.

Federal health officials have pointed to studies finding that the six protected classes make up a substantial portion of all drug spending in Medicare Part D. But AARP said the reform should not move forward without a better appeals process for patients.

"A streamlined, transparent and responsive appeals process would mitigate many of the legitimate access concerns that have been raised in response to this proposed change," AARP wrote.

The public comment period on the proposal ended Friday.

In Our Newsletter

Slew of changes to health-care law creates more confusion for consumers

By Sandhya Somashekhar, Published: March 8

As the deadline approaches for most Americans to obtain health insurance, a flurry of changes by the Obama administration has led to a frenzied effort among employers, insurance companies, politicians and consumers to try and understand what they might mean.

The latest batch of adjustments came Wednesday, when the administration disclosed that it was delaying, once again, the deadline for people with old private health plans to buy beefed-up versions required under the health-care law. The cancellations of the old plans have been politically damaging for Democrats and the White House, because President Obama had vowed that the law would not prevent people from keeping insurance plans that they liked.

U.S. health insurers brace for new steep Medicare cuts

BY **CAROLINE HUMER NEW YORK** Thu Feb 20, 2014

(Reuters) - The U.S. government is expected to announce this week the proposed payment rates for insurer-run Medicare plans in 2015, but industry officials say the anticipated cuts will mean higher co-pays and fewer benefits for seniors.

Of the more than 50 million older Americans who receive coverage through Medicare, about 15 million are enrolled in Medicare Advantage plans offered by companies such as UnitedHealth Group Inc, Humana Inc and Aetna Inc. The rest use Medicare fee-for-service programs, in which doctors are reimbursed by the government for patient visits and procedures.

Each February, the Centers for Medicare and Medicaid Services proposes reimbursement rates that it agrees to pay insurers for managing the privately run programs. It publishes a final rate 45 days later.

Insurers are bracing for a proposed cut of around 6 to 7 percent when the government makes the information public in an announcement expected on Friday, according to the latest industry and analyst forecasts. Health insurance executives have been lobbying against cuts of that magnitude, saying they would have no choice but to pass on a significant part to seniors to keep their business intact.

Aetna, which has about 1 million Medicare Advantage members, said that to keep costs in line with cuts in recent years, it has changed its network of doctors and hospitals to be more cost-effective, among other efforts.

"If you can't solve the reduction based on those activities, then you have to resort to things that are much more visible to the beneficiaries, which can range from benefit reductions, and either premium increases or the introduction of a premium," said Fran Soistman, executive vice president and head of Government Services at Aetna.

Another possibility for insurers is eliminating plans and withdrawing from certain markets. Many did that last year after the government cut rates by nearly 6 percent.

"The concern is that a second consecutive 6 percent cut to the program will be devastating for seniors," said Robert Zirkelbach, spokesman for the healthcare industry's key trade and lobbying group, America's Health Insurance Plans. Their campaign has included TV, print and online advertising as well as a sign on Washington city buses, telling viewers that "Seniors are Watching" when it comes to Medicare Advantage benefits.

CONTAINING LEAKS

The announcement could put pressure on President Barack Obama's administration as it defends its signature healthcare law, the Affordable Care Act, from attack ahead of the 2014 elections. Early technical

failures hampered enrollment in insurance plans and new fees and healthcare taxes have gone into effect, providing Republican opponents of the law with ammunition to call for its delay.

Insurers, which worked closely with the government to help fix early enrollment problems, are hoping that partnership will help their lobbying effort to influence the 2015 Medicare rates.

The U.S. government has been cutting payment rates for Medicare Advantage as part of an overall reduction in healthcare spending required under the law and as it seeks to bring the program fees closer to the ones it pays through the Medicare fee-for-service program.

CMS is balancing the need for these spending cuts with the potential political backlash. A group of 40 senators, both Republicans and Democrats, recently called on the agency to maintain Medicare Advantage payment levels and prevent disruption.

The rate announcement due out this week has been widely anticipated by insurers and investors this year, after information on last year's release of the final rates was leaked to investors ahead of time. As a result of that, stocks in insurers with large Medicare Advantage businesses jumped higher just before the market close because the payments were not as low as investors had expected.

A Wall Street Journal report found that a lobbyist who was working for Humana had been involved in the leak. The story prompted investigations by the Department of Justice, Republican Senator Charles Grassley of Iowa, Humana (which fired the law firm of the lobbyist), the Centers for Medicare and Medicaid Services and its Office of the Inspector General.

When asked about any changes the agency is taking this year concerning the announcement, a spokeswoman for CMS said that the agency is "committed to releasing Medicare payment policies in a time and manner that is appropriate and consistent with statutory requirements." She did not provide a comment on the probe into last year's incident.

The U.S. Justice Department and the Office of the Inspector General declined to comment.

Humana did not have an immediate response, and Grassley's office did not return a call seeking comment.

This week's announcement is unlikely to affect industry stocks unless it comes in far below or far above 6 percent, according to CRT Capital analyst Sheryl Skolnick.

"It is by no means a secret. Everyone knows it is coming and everyone knows it is going to be bad," Skolnick said.

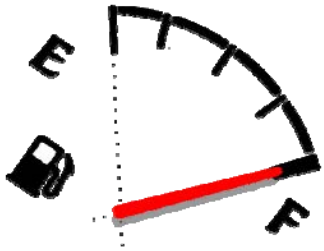
The final rate announcement is expected on April 7.

9 Cars That Average 50 MPG or Better on the Highway: You'll Be Shocked By No. 1!

By Sean Williams | More Articles March 9, 2014 | Comments (96)

My nose would shoot to about six feet in length if I exclaimed that gas mileage was an important feature to me when purchasing a car. However, I'm very much in the minority on this one.

Fuel economy has grown to become an increasingly important factor which sways car buyers when making their decisions. One reason this has come to be is that gasoline price growth, adjusted for inflation, is handily outpacing wage growth, also adjusted for inflation, since 1980. This means the real cost of gasoline is rising faster than consumers' wages, so consumers are having to look toward improved fuel economy when they purchase vehicles.



Source: Nemo, Pixabay.

Another reason we see fuel economy in the spotlight is the negative sentiment built up against the world's largest oil producers. A number of consumers believe that big oil is evil and are looking for vehicles that run solely on electricity, a mixture of gas and electricity, or on gasoline, but that sip rather than guzzle fuel.

Finally, we're also seeing beefed-up pressure from individual states and the federal government to improve mile-per-gallon, or mpg, standards, as well as reducing noxious emissions. In August 2012, the Obama administration announced new vehicle fuel-efficiency standards that would require U.S. auto fleets to average 54.5 miles per gallon by 2025, which was up dramatically from its previous target of 34.5 miles per gallon due to hit in 2016. The goal, of course, is to reduce greenhouse gas emissions, while also reducing oil consumption with presumably even more cars on the road.

But, here's the good news: automakers are listening! In fact, according to a recent *Consumer Reports* study, nine automakers have managed to build vehicles capable of delivering 50 mpg (mpg equivalent, or mpge, for the ones that don't burn gas) on the highway or better, leaving their peers decidedly in the dust.

Today, we're going to look at those nine vehicles and their manufacturers to see what they're doing right, and determine if these vehicles and automakers truly do have an edge over their peers.

2014 Honda Civic Hybrid, Source: Honda.

9. Honda Civic Hybrid – 50 mpg
Interested in jumping into a hybrid capable of getting you a cruise-a-licious 50 mpg on the highway for less than $30,000 MSRP? Then the **Honda** (NYSE: HMC) Civic Hybrid could be your car of choice. Honda combines its two best attributes with the Civic hybrid – top-notch dependability which we've come to expect from Honda and its subsidiary Acura, as well as impressive fuel economy with an electric motor powering the car at lower speeds and kicking over to the gasoline engine at higher speeds. It may not be among the top five, but the Civic Hybrid has attributes that should keep it selling well in the U.S.

8. Volkswagen Passat TDI SE – 51 mpg
No folks, that's not a misprint – that's 51 mpg on the highway from a fossil-fuel-burning engine. In this case **Volkswagen** has turned to its highly reliable diesel-engine technology to get even more impressive gas mileage than the Civic Hybrid. Volkswagen's U.S. sales have been stagnant for years, and the Passat TDI SE could be the first step in the right direction for the company in the U.S. market. With a base price just north of $26,000, this is vehicle worth keeping an eye on.

7. (tied with six) Toyota Prius Plug-in Advanced – 55 mpg (composite of electricity and gas)
Believe it or not, **Toyota** (NYSE: TM) doesn't dominate this list, but you will see two of its vehicles lined up in the next two spots. The Prius Plug-in Advanced allows for a nice go-between of the electric-gas-hybrid vehicles and solely electric vehicles by giving consumers the option to plug their Prius in to get up to 15 miles of all-electric range at 62 mph or less. A more efficient and higher capacity lithium-ion-battery pack is what allows the Prius Plug-in Advanced to achieve this superior electric range. In other words, for those with short commutes, this could be a smart choice! However, at a price point north of $34,000, the Prius Plug-in Advanced, even with its reduced price for 2014, may not offer enough fuel efficiency based on its price.

6. (tied with seven) Toyota Prius Four – 55 mpg
Now the Toyota Prius Four certainly hits a perfect chord with consumers looking for the iconic Prius styling and impressive fuel efficiency which topped out at 55 mpg on the highway. With a base MSRP of $28,435 for the Prius Four, which comes with a few premium upgrades, including the solar roof package, navigation, and head-up display, it's right in line with the price point of the Honda Civic Hybrid while providing superior fuel economy.

5. Chevrolet Volt – 76 mpg (composite of electricity and gas)
Similar to the Prius Plug-in Advanced, the Chevy Volt, which is manufactured by **General Motors** (NYSE: GM) , allows consumers to travel an EPA-estimated 38 miles before its gas-powered generator kicks in and allows the car to go an estimated 380 miles on a full tank. Simply put, if you have a relatively short commute, it's incredibly likely you could go weeks or months between a gas fill-up. On the flipside, the Volt has also been associated with a number of battery issues and recalls, and even with a reduced price point for 2014 still appears a bit pricey. It may be a few more years before General Motors and Chevy have a success on their hands with the Volt.

Tesla Model S, Source: Tesla Motors.

4. Tesla Model S (base, 85 kWh) – 102 mpge

No list of the most fuel-efficient vehicles on an mpg or mpge basis would be complete without including America's most vaunted electric vehicle, **Tesla Motors** (NASDAQ: TSLA) Model S (in this case with the superior 85-kWh-battery package). The advantage of the Model S is that it provides the most comparable all-electric driving range to gas-powered vehicles, but it does come with a hefty price point that's north of $60,000 and will price most consumers out of the market. Furthermore, with the Model S being so new, there's no used market, so leasing isn't an option at the moment. The car certainly could be called exclusionary, but there is undeniable demand for the Model S in the U.S. which could translate to big profits for Tesla moving forward.

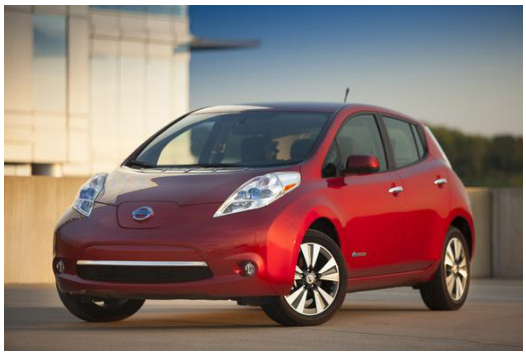
3. Ford Focus Electric – 107 mpge

If you absolutely don't want to leave a carbon footprint, but can't stand the high price point of the Tesla Model S, **Ford**'s (NYSE: F) all-electric Focus could be the answer. The Electric Focus will only run about half the price of the Model S, but it still comes with some hefty drawbacks, including a driving range estimated to be only 76 miles, and a top speed that caps out at 82 mph. In addition, the same exclusions apply for Focus Electric owners in that they'll need a plug for overnight charging, meaning condo owners and apartment renters probably need not apply.

2. Mitsubishi i SE – 116 mpge

Someone had to produce the cheapest electric vehicle; and why not **Mitsubishi**! The subcompact Mitsubishi i SE is an all-electric vehicle with absolutely no frills attached. Its stodgy interior can fit four people and the car itself can get an EPA-rated 62 miles on a single charge for an MSRP of less than $29,000 before tax breaks. Of course, this cheaper price comes with some drawbacks as well. The car has top speed of just 81 mph (perhaps with the wind at its back), but more importantly has just a 62-mile range and can take 21 hours on a standard 110-volt charger to reach a full charge. If you pony up for the 240-volt charger (which I strongly suggest you do), the charge time dips to an expected six to seven hours.

But the No. 1 most "fuel-efficient" vehicle on the highway is...



Nissan Leaf, Source: Nissan.

1. Nissan Leaf SL – 118 mpge

Taking the top spot in terms of highway fuel-efficiency is **Nissan**'s Leaf SL which gets an average of 84 miles per each full charge. Although the Nissan Leaf costs a few thousand more than the Mitsubishi i SE, it comfortably seats five people, offers a respectable 107 horsepower, and the SL model comes with upgrades such as 17-inch alloy wheels, fog lights, and leather-appointed seats. Long story short, with the exception of price point, the Nissan Leaf SL appears to be superior in every way to the closely rated Mitsubishi i SE. It may not compared with the Tesla Model S driving range by any means, but it gives cost conscious and carbon footprint aware consumers a perfect vehicle to turn to in the U.S.

Follow these steps and you could save $1,000s when purchasing your next car!

You don't know it yet, but you probably spent $1,000s more than you should have on your vehicle. In fact, the auto industry can be such a dangerous place for consumers that our top auto experts are determined to even the playing field. That's why they created a brand-new *free* report: "The Car Buying Secrets You Must Know." The advice inside could save you thousands of dollars on your next car, so be sure to read this report while it lasts. Your conscience, and your wallet, will thank you. Click here now for instant access.

Insurers wary of Obamacare unknowns as they plan for 2015

BY **CAROLINE HUMER NEW YORK** Tue Mar 11, 2014

The federal government forms for applying for health coverage are seen at a rally held by supporters of the Affordable Care Act, widely referred to as "Obamacare", outside the Jackson-Hinds Comprehensive Health Center in Jackson, Mississippi October 4, 2013.

CREDIT: REUTERS/JONATHAN BACHMAN

(Reuters) - U.S. health insurers are struggling to set prices for their Obamacare plans in 2015 and decide which regions to return to before the deadlines for submitting those plans to regulators.

Some insurers already expect to lose money this year following the rocky launch of President Barack Obama's Affordable Care Act, which aims to provide coverage to millions of uninsured Americans with the help of government subsidies. The rollout was marred by technical errors that held up early enrollment, last-minute regulatory changes and steady political opposition from Republicans.

For 2015, insurers must describe their health plans and proposed rates to state and federal regulators starting in April and May. But before they do, some of the most important factors that go into those decisions may not be known, from the size of the doctor and hospital networks that the federal government will approve to final 2014 enrollment figures and the relative health of their new plan holders.

Without that data, said Jon Urbanek, senior vice president of commercial markets at Florida's market-leading Blue Cross Blue Shield, "I can't tell you exactly yet that we've decided about counties and products and all those pieces, but we feel like participating in the marketplaces is very consistent with our mission."

Cigna Corp Chief Executive Officer David Cordani said the nation's fifth-largest insurer was still undecided on which if any new markets it might enter, although "that decision needs to be made in short order," he said in an interview.

The result, industry executives and experts say, is that some of the larger insurers may pull out of individual markets where they already know they can't make money. Otherwise they will try to hold steady until 2016, when the number of people on Obamacare plans is expected to surge as high as 22 million.

Some smaller insurers offering health plans in 2014 may back out altogether if they can't afford to ride out the program's early troubles.

"There will be some sort of a shakeout," said Tim Jost, a health law expert and professor at Washington and Lee University in Virginia. Small health plans and cooperatives that priced their health coverage too high and got few customers are among the most vulnerable, he said.

"On the other hand, (the national insurers) have been watching the markets, and if 2014 turns out to look better than expected, they may jump in," Jost said.

John Morrison, who founded The National Alliance of State Health CO-OPs, a trade group, was more optimistic about the small insurers. He said the coops have low overhead and are required to keep enough capital on hand to last them into at least the second or third year of the exchanges. They will all be open, he believes, and enrolling new customers in 2015.

PRICE, POLICY SURPRISES

A handful of large insurers have won most of the customers so far among more than 100 active on the Obamacare marketplaces in the 50 states. By their own estimates, WellPoint, Aetna Inc, Humana Inc, and Health Net together pulled in about 970,000 enrollment applications by the end of January out of about 3 million nationwide at that time.

But large insurers including Cigna and Aetna said they do not expect to make money this year on the new Obamacare exchanges.

In January, Aetna Chief Executive Officer Mark Bertolini suggested that the company's participation in 2015 could depend on whether the administration would allow it to raise rates enough to cover expenses.

"Are (rate increases) going to be double-digit, and are we going to get beat up because of the double digit, or are we going to just have to pull out of the program? Those questions can't be answered until we see the population we have today," he said in an interview with cable news channel CNBC.

Health Net said it is breaking even on its exchange customers after hitting targets in Southern California, its largest market. As of early February it had signed up 168,000 people in California and Arizona.

"I feel like we're all in and we are happy we are," Health Net Inc CEO Jay Gellert told investors in January.

Insurers are also bracing for more late policy changes that could disrupt the Obamacare business model. Just last week the administration said it would allow insurers to extend by two more years health policies that were supposed to end in 2014 because they don't comply with the healthcare law.

"We expect consumers will continue to have a robust number of plan choices available to them for the 2015 open enrollment season as insurance companies compete for the business of millions of Americans seeking coverage with the assistance of tax credits," said Aaron Albright, a spokesman for the Centers for Medicare and Medicaid Services, which oversees the Obamacare marketplaces.

Actuaries, who help insurers calculate what rates to charge, note that the government's most recent guidance to the industry, in the form of a 300-page report released last week, raised new questions on how to predict the Obamacare market in 2015.

For instance, the government said it is still considering what percentage of health insurance premiums paid to insurers must be used to cover medical expenses rather than administrative costs, a decision that could directly impact industry profits.

"Even when something is a final rule it has not meant that it is not subject to further change," said Hans Leida, an actuary at Milliman, referring to the government's regulation of Obamacare. "There is still great uncertainty to come."

Obamacare's deadline could be flexible

by Caitlin Bronson | Mar 18, 2014

In Wichita Falls, Texas, producer Kelly Fristoe is planning a major celebration at the end of the month. After March 31—the last official day to enroll in an Obamacare plan—he and his wife are taking a long weekend trip far from the agency offices and the glare of the HealthCare.gov home screen.

"I need a spa day," he confessed. "These last six months have been tough."

Like many other agents nationwide, Fristoe has worked long hours, including nights and weekends, to service the millions of Americans clamoring to enroll in a health insurance policy through state and federal exchanges. They are starting to see the beginning of the end.

However, new rumblings from the White House signal that for some healthcare shoppers—and their agents—March 31 may not be the day to celebrate.

Despite assuring Americans that the open enrollment period will absolutely end this month, federal officials say the Obama Administration is considering extending the March 31 deadline for users for whom technical glitches prevented their successful enrollment.

"We are struggling to achieve stability," one official told the Wall Street Journal.

Indeed, despite overall improvement since its rocky rollout, HealthCare.gov has stalled at least three times in the past week, including an hour-long outage Friday.

To accommodate individuals who tried to enroll unsuccessfully, the administration is considering allowing stymied users to apply for health insurance during a "special enrollment period"—provided they can demonstrate their difficulties. How long that period will be, and how people will submit proof that they were delayed by glitches, remains unclear.

Sentiment from health insurance agents on the matter, however, appears to be unanimous.

"I don't know that [an extended enrollment period] is really needed," said Neil Crosby, a spokesman for the National Association of Health Underwriters. "Yes, there have been plenty of times where HealthCare.gov hasn't worked properly, but I think there's been

plenty of time since then that people have been successfully enrolling."

With the help of independent agents, navigators and other community resources, those who wanted to should have been able to enroll by now, and agents are ready to take a well-deserved break, he said.

"There's been six full months," Crosby stressed. "I think the agents feel that's plenty of time and that they've made themselves plenty available."

Fristoe agreed, though predicting that HealthCare.gov will probably buckle under the influx of applications coming in on March 31.

"A ton of people who waited until the very last minute will swarm in and the system will be so overwhelmed, it will fail," he said.

For folks in those situations, Fristoe understands the government allowing them "a few more days" to get enrolled. However, he isn't overly sympathetic.

"If you're going to wait that long, there's going to be consequences," he said.

Saving for a House: It's More Than a Down Payment

credit.com

By Chris Birk March 21, 2014 2:23 PM

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It's easy to get caught up in credit scores when considering a home purchase. But as lenders continue to loosen requirements, the need to have money in the bank doesn't get any less acute.

Getting prescriptive about how much you need in savings to satisfy a mortgage lender is tough business. The answer can depend on a host of factors, from the type of mortgage and size of the loan to the property itself and more.

You'll most likely need a solid chunk of change upfront to cover a down payment and closing costs. Lenders might also want to see a stockpile of "reserves," which often translates to a certain number of months' worth of mortgage payments.

The bottom line is that it's tough to talk specifics about your bottom line. That's why it's important to get a solid understanding of your mortgage options and seek clear guidance from lenders.

Credit scores are critical, but so are income and assets when you're applying for a home loan. Here are some of the important savings you'll need to accumulate first.

Down Payment Needs

Down payments are inescapable for the vast majority of non-cash homebuyers. Outside of state or local programs, only government-backed VA and USDA rural development home loans allow qualified borrowers to purchase with no money down.

Conventional and FHA loans typically require minimum down payments of 5% and 3.5%, respectively. On a $200,000 mortgage, that's $10,000 for conventional and $7,000 down for FHA. But buyers often put even more skin in the game.

Conventional borrowers last month had an average loan-to-value ratio of 80%, according to mortgage software firm Ellie Mae. For FHA loans, it was 95%. That means buyers are putting down an average of 20% for conventional loans and 5% for FHA loans.

Existing homeowners often have an advantage because they're able to put the proceeds of a home sale toward a new purchase. It can take first-time buyers years to scrape together enough money for a down payment.

That's partly why home sales among first-time buyers hit their lowest point last month since the National Association of Realtors began tracking the figure in October 2008.

Reserves

Paying the upfront costs of homebuying represents one pool of money. Lenders want to make sure you've got plenty left over to keep the monthly payments rolling in long after closing day.

One way they hedge risk is by requiring a certain amount of reserves. Guidelines can vary by lender, loan type and borrower. One month of reserves is usually equal to your monthly mortgage payment, including property taxes and insurance.

Conventional lenders typically seek from two to six months of reserves, but it could be as many as a year's worth, depending on your risk factors.

Neither FHA nor VA loans have a reserve requirement for single-family homes. But purchasing multi-unit properties under these programs typically requires three to six months' worth of reserves. Reserve requirements will also vary for jumbo loans.

A healthy amount of reserves can help homebuyers on the edge. Lenders can consider these assets as a positive compensating factor, which can help a spotty loan file overcome credit or debt issues and help the mortgage process move along faster.

Residual Income

Lenders will take a close look at the ratio of your major monthly debts against your gross monthly income. This is known as debt-to-income (DTI) ratio, and different loan programs have different requirements.

Money-wise, it's not just the income stream some borrowers need to worry about.

Some lenders and loan types may require you to have a certain amount of money left over each month after paying major expenses. The VA loan program has pioneered this requirement, known as residual income. VA borrowers must meet a monthly residual income benchmark that can vary based on where you live and your family size.

For example, a family of five in the Northeast needs at least $1,062 left over each month after paying those major bills (think mortgage, student loan, child care).

The FHA recently adopted the VA's residual income requirement as a test for borrowers with higher debt-to-income ratios. The change takes effect in late April.

Residual income doesn't necessarily represent funds you need to earmark for savings. But knowing how to budget and save are key traits of successful homeowners.

Other Upfront Costs

Securing a mortgage will come with other upfront expenses. Many will vary depending on the type of loan and your specific purchasing situation. All loans have closing costs, which can include things like origination fees, title insurance, prepaid property taxes, homeowners insurance and more.

But who pays them is often a matter of what you can negotiate with the home seller. It's not uncommon for VA buyers to purchase with $0 down and have a seller pay all of their closing costs.

Plan on saving and paying for an appraisal and a home inspection. Lenders will require the former, and although the latter isn't usually mandatory, you should consider it essential. Combined, these costs might set you back anywhere from $700 to $1,000.

Homebuyers can try to recoup the appraisal fee at closing. Consider the costs of a home inspection an incredibly wise investment.

While you save for a home loan, it's important to make sure you're maintaining or building good credit so you can qualify for the best rate possible. You can pull free credit reports every year from each of the major credit reporting agencies to see your full credit history. Also, the Credit Report Card is a free tool that gives you two of your credit scores and a breakdown of what's impacting your scores.

Share the Wellness: When Lightning Crashes

March 26, 2014

Thunderstorms cause most of the severe spring weather. They can bring lightning, tornadoes and flooding. Whenever warm, moist air collides with cool, dry air, thunderstorms can occur.

There is no safe place outside when thunderstorms are in the area. If you hear thunder, you are likely within striking distance of the storm. Just remember, "*When Thunder Roars, Go Indoors.*" Too many people wait far too long to get to a safe place when thunderstorms approach, which can lead to severe injury.

The best way to protect yourself from lightning is to avoid the threat. Have a lightning safety plan, and cancel or postpone activities early if thunderstorms are expected. Monitor weather conditions and get to a safe place *before* the weather becomes threatening.

To prepare for a thunderstorm, consider the following:

- Have an emergency kit and make a family communications plan.
- Remember the 30/30 Lightning Safety Rule: Go indoors if, after seeing lightning, you cannot count to 30 before hearing thunder. Stay indoors for 30 minutes after hearing the last clap of thunder.
- Secure outdoor objects that could blow away or cause damage.
- Get inside a home, building or hard top automobile (not a convertible). Although you may be injured if lightning strikes your car, you are much safer inside a vehicle than outside.
- Remember, rubber-soled shoes and rubber tires provide NO protection from lightning. However, the steel frame of a hard-topped vehicle provides increased protection if you are not touching metal.
- Shutter windows and secure outside doors. If shutters are not available, close window blinds, shades or curtains.
- Unplug any electronic equipment well before the storm arrives.

If someone with you is struck by lightning, seek emergency medical help immediately. If possible, move the person to a safe, dry location. Perform CPR if his or her heart or breathing has stopped. Watch for and treat signs of shock.

Sources**:** Ready.gov; Centers for Disease Control and Prevention; National Weather Service

The Coming Price Increase That Can Break Your Budget

Beth Braverman The Fiscal Times February 26, 2014

REUTERS/Keith Bedford

Get ready to pay more to fill your belly.

After several years of modest increases and relatively low prices, the cost of food is going to increase.

Overall food prices are set to rise around 3 percent this year, according to a new report from the U.S. Department of Agriculture. That could hit consumers particularly hard, given that Americans spend about 10 percent of their income on food.

“Consumers are just going to have to budget more money for food,” says Ronald Plain, a professor of agricultural economics at the University of Missouri. “Eating isn’t really something that people can give up, and there’s not much you can do about the prices.”

Meat prices are up across the board thanks to several factors, including diminished cattle herds; a disease problem among hog farmers; and increased poultry feed costs reflecting higher commodity costs for corn and soybeans. In addition, a record drought in California has pushed up fruit and vegetable prices.

Retail beef prices are at or near inflation-adjusted record highs because of a year-long supply problem stemming from severe droughts in the southern plain in 2011 and the Midwest in 2012. While farmers are working on increasing the size of their herds, such efforts take several years, and the current cattle population remains at its lowest level since 1951, Plain says.

Meanwhile, hog farmers are facing supply problems, thanks to a porcine epidemic virus, which has killed about a million baby pigs since it was first found in Iowa last spring, according to an NPR report. The impact of such outbreaks typically lasts for about a year, and Plain expects prices to fall back down around 2016.

The outlook is less certain for fruits and vegetable prices, which could increase dramatically thanks to the ongoing California drought. The state produces about half of America’s fresh fruits and vegetables, and is facing the worst drought on record.

Fresh fruit and vegetable prices increased from December to January 1 percent and 1.5 percent, respectively. That’s a substantial hike, equal to the total increase in prices for those categories over the past three years.

The grocery store isn’t the only place consumers will feel the sting of higher prices. Nine out of 10 chain restaurants plan on increasing their prices this year, with an average increase of 2 percent, according to a January survey by restaurant supply co-op SpenDifference.

As mounting prices start to take lighten shoppers’ wallets, consumer confidence could take a hit, says Nick Colas, chief market strategist with ConvergEx Group. “As people see increasing amounts of their budget going to food, that tends to diminish their purchasing power elsewhere, and their confidence in the economy.”

Majors with the Most Pre-Graduation Job Offers

According to a recent study, students in these degrees receive more job offers before graduation.

By Terri Williams

Earning a college degree takes time, effort, and money, so you want to be sure you choose the right major. If your goal behind earning a degree is pursuing a promising career, it might help to know which majors are more likely to generate job offers before you even complete your course of study.

Fortunately, there's actually data available to assist you in the decision-making process. "The College Class of 2013," published by the National Association for Colleges and Employers (NACE), surveyed close to 10,000 college seniors who were scheduled to graduate, and discovered that for five majors in particular, over half of the students had at least one job offer by the time they graduated.

Before you decide which degree path is for you, see which majors are the ones employers love and learn why.

Major #1: Bachelor's Degree in Computer Science

Find Degree Programs

According to the NACE, an impressive 68.7 percent of computer science majors had at least one job offer by the time they graduated.

Why Employers Like It: It's hard to imagine life without computers, and our reliance on them is only growing. "As individual consumers, we're increasing our use of technology (the 'app economy') and businesses are tackling initiatives in areas including cloud computing, big data, and cyber security," says Robin Schooling, managing director at Silver Zebras, a human resources strategy company in Baton Rouge, La. And to meet this demand, Schooling says, "organizations must increasingly hire technology professionals."

"The whole economy operates on computer technology, and computer science majors know how to make that vast IT economy work - everything from programming to integration to security," explains Anthony Skjellum, a computer science professor at the University of Alabama at Birmingham. "As a result, companies like Google are offering $150,000 bonuses to programmers; Apple has a voracious demand for developers; and even mid-size and small companies are searching for people with computer technology skills."

Next step: Click to Find the Right Computer Science Program.

What You'll Study: Computer science majors learn programming languages such as C++ and Java, according to the College Board, a non-profit organization that links students to college success and opportunity. Computer science students may also take courses in data structures and algorithms, digital system design, and mathematics for computer science.

Potential Careers:*

- Software Developer
- Computer Systems Analyst
- Computer Support Specialist
- Computer and Information Systems Manager
- Web Developer

Major #2: Bachelor's Degree in Economics

Computers aren't your thing? You could still find plenty of job opportunities to pursue with an economics major. Economics clocked in at number two in job offers, with 61.5 percent of surveyed students reporting they had at least one job offer by graduation.

Why Employers Like It: According to Schooling, economics is one of the most versatile of degrees. "Economics graduates learn to apply reasoning and analysis to a variety of societal, organizational, and business issues," says Schooling. "In a competitive environment, companies are looking for people who can provide economic analyses and forecast business trends."

What You'll Study: Students who study economics learn about economic theories and learn to dissect economic systems, says the College Board. It also reports that they may take such classes as econometrics, micro and macroeconomics, statistics, and international trade.

Potential Careers:*

- Personal Financial Advisor
- Financial Analyst
- Market Research Analyst

Major #3: Bachelor's Degree in Accounting

Find Degree Programs

The honor of third highest job offer rate goes to accounting majors, with 61.2 percent of seniors majoring in accounting reporting that they received at least one job offer by graduation.

Why Employers Like It: There are three primary reasons why accounting firms are hiring so many students, according to Ed Ketz, associate professor of accounting at Penn State University: "Accounting and audits are necessary in good times and bad, forensic accountants are needed to combat white collar crime and, given the Financial Accounting Standards Board's** requirements for fair value measurements, valuation services are expanding."

Next step: Click to Find the Right Accounting Program.

What You'll Study: Accounting students learn the skills necessary to record, analyze, and interpret financial information, reports the College Board. Typical coursework includes classes in auditing, cost accounting, tax accounting, and business law.

Potential Careers:*

- Accountant
- Auditor
- Tax Collector

Major #4: Bachelor's Degree in Engineering

Find Degree Programs

Engineering had the fourth highest job rate, with 59 percent of students in engineering reporting receiving at least one offer of employment by graduation.

Why Employers Like It: "Engineering is one of the STEM degrees (Science, Technology, Engineering, Math) experiencing a shortage of workers, so we'll continue to see a need for graduates in engineering disciplines," explains Schooling. "In particular, there's a demand for biomedical engineers, petroleum engineers, civil engineers, and environmental engineers," she says.

Next step: Click to Find the Right Engineering Program.

What You'll Study: Engineering students learn to use math and science to solve problems, according to the College Board. Common courses include physics, engineering law, and numerical methods for scientists and engineers.

Various fields of engineering include chemical engineering, which involves learning how to put chemicals to work; mechanical engineering, which relates to the science behind machines; petroleum engineering, relating to methods of extracting oil and gas from the earth; and civil engineering, where students learn to use math and science to design construction projects, explains the College Board.

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