

# Area Agency on Aging *Connections*

## Maintaining a good credit rating, even after retirement, is important

By Daniel Casciato  
For *Pittsburgh Senior News*

**M**anaging one's finances can be a daunting task but it's important to keep a handle on them, even after you've retired.

Maintaining good credit is especially paramount, according to Caryn Bilotta, manager of education services for Advantage Credit Counseling Service. "It's always a good idea to have good credit because you never know when you're going to have to make a future credit purchase. Cars die. Refrigerators die. If you have credit problems, it's going to be difficult to get future credit. It's important to have good credit for that purpose."

To keep your credit history spotless, there are two things you can do: plan purchases ahead of time and pay attention to where you are using your credit card and what you are using it for. "A lot of people get themselves in trouble because they charge with a credit card and worry about it later," said Caryn. "When the bill comes, a couple financial emergencies may have popped up or they had some unexpected expenses and they no longer have the money to pay it. We try to get people in the habit of planning ahead of time how they are going to pay for purchases and how long it will take to pay for before they use a credit card."

To manage your purchases, Caryn recommends tracking your credit expense regularly. Since some people forget from



one day to the next what they charged or where they used their credit card, she suggests getting a piece of paper and wrapping it around your credit card. "That way every time you use it, you write down on that little piece of paper how much you charged," she said. "Hopefully, it will help you keep in line with your budget because you can look at that credit card and can see how much you charged."

Because of financial scams and identity theft, Caryn also recommends that you also keep an eye on your credit report. "Stay on top of your credit report and make sure it's accurate and is your credit. "That goes hand in hand, and this will help keep your financial house in order."

Her final recommendation is to read the terms of your credit card — or any credit, for that matter. "Many people are not educated about the fine print. It's worth

taking the time to read your bill every month and see what your due date is, what the finance rates are and to get a handle on all of the terms on your statement."

Obtaining a power of attorney is also important in case you become incapacitated or suffer mental health problems that may affect your ability to manage your financial affairs. According to Joe Olimpi, managing attorney for Technology Neighborhood Legal Services Association, a power of attorney is an important planning tool in case you become incapacitated; somebody can step in under the authority of that power of attorney and do things for you when you are no longer able to. "It's important to have someone from your own choosing to take care of your affairs when you are unable to," he said.

And the sooner you obtain a power of attorney, the better.

"No one has a crystal ball," he said. "No one can tell when you're going to become incapacitated and that's when it is important."

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There's also always the potential for fraud, Joe warned. "One of the single, most important decisions you can make when you're doing a power of attorney is the selection of the agent," he said. "To grant these powers to someone you cannot absolutely trust, that's where the fraud comes in because the agent will do things that will benefit themselves and not live up to their fiduciary duties under powers of attorney."

To learn more about managing credit, visit [www.advantageccs.org](http://www.advantageccs.org). For more information on powers of attorney, visit [www.nlsa.us](http://www.nlsa.us). *PSN*

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