



CONSUMER LITERACY CONSORTIUM

c/o Consumer Federation of America
1424 16th Street, N.W., Suite 604
Washington, DC 20036
202-387-6121

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Contact: Jack Gillis
(202) 737-0766

Consumers Missing Hundreds of Dollars in Savings

New Report Documents Consumer Benefits of “Shopping Around” Typical Family Can Easily Save \$1000 per year

Washington, DC – Today, the Consumer Literacy Consortium (CLC) released a new report on how much consumers can save by simply “shopping around.” The new report from the CLC documents how just spending a few hours on the telephone or the Internet throughout the year can help a family save hundreds of dollars each year. The CLC, composed of leading consumer educators, attributed the amazing growth of the Internet and electronic communications as two of the key reasons why it’s even easier to save money by comparison shopping.

The CLC’s Chairman, Stephen Brobeck, Executive Director of the Consumer Federation of America, said, “The easiest way for consumers to save is to comparison shop. Whether it is a few phone calls or clicks of the mouse, a small investment of time yields enormous savings.”

To assist consumers in getting the best deals in today’s marketplace, the CLC developed “66 Ways To Save Money,” (enclosed) which details many ways consumers can keep money in their pockets, especially by comparison shopping. This guide provides an array of tips for smart spending and saving that can help consumers’ stretch their hard-earned dollars without making extreme sacrifices.

“Whether weekly shopping for groceries, annually contracting for insurance, or periodically purchasing cars, major appliances or real estate, it’s amazing how much savings consumers miss out on by not comparing prices,” said Robert Krughoff, President of Center for the Study of Services / CHECKBOOK Magazine.

Comparing prices from the ease of one’s own home has never been simpler.

Many companies will give quotes right over the telephone and the Internet has become an important price comparison tool. Retailer web pages with price information are proliferating. Even many grocery stores have their own web pages that advertise specials.

Based on data from Consumers’ CHECKBOOK, Consumer Reports, and other sources, the Consumer Literacy Consortium calculated the following potential savings through comparison shopping:

* It is easy to save 15 percent to 25 percent by shopping at discount grocery markets as compared to shopping at some of the larger chains, and savings can be even greater compared to prices at specialty markets.

* When filling a prescription, one can save 50 percent or more by purchasing the generic compared to the brand name drug. Savings by shopping at a lower priced pharmacy are usually 15 percent to 30 percent.

* Whether purchasing a new home or refinancing an existing mortgage, a homeowner seeking a 30-year fixed rate \$100,000 mortgage may be able to save \$500 to \$1000 per year by getting the lowest rate available.

* The consumer shopping for a major appliance can save \$100 on the same make and model of appliance by choosing the lowest price store, and can often save even more by selecting the lowest priced make and model with comparable features.

* Before purchasing or renewing life, automobile, homeowner, condo owner or renters insurance, comparing prices of similar policies offered by different companies can result in annual savings of several hundred dollars per year per policy.

* A consumer carrying a \$2000 balance on credit cards can save between \$120 and \$130 per year in interest by moving balances to a card with a lower interest rate.

"Consumers who shop knowledgeably and compare prices could save an average of more than \$1000 per household," said Brobeck.

Consumers can access web sites that have price comparison information free or at a low cost. Sites such as www.consumerworld.org, www.money.com, and www.quicken.com can facilitate research on financial matters such as interest rates and insurance. Those in the market for automobiles, appliances and other big ticket items can find useful information at www.checkbook.org, www.consumerworld.org, and www.consumerreports.org.

One free copy of the brochure may be obtained by sending a self-addressed, stamped envelope to: "66 Ways to Save Money," PO Box 12099, Washington, D.C., 20005-0999. Additional copies of this money-saving brochure are available for \$.50 each from Save Money, Pueblo, CO, 81009. Consumers should make their check or money order payable to the Superintendent of Documents.

The brochure can also be accessed and downloaded from the Internet at www.pueblo.gsa.gov. The Spanish version of the brochure can be accessed at www.consumer-action.org.

The Consumer Literacy Consortium is a working group of leading consumer educators from consumer groups, government and business, who work together to assess and improve the nation's consumer literacy.