Does it pay to trade in your gas guzzler?

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You're standing at the gas pump, watching the dollars pile up as you fill the tank: $65 for a week's worth of gas.

It gets you thinking about trading in your vehicle for something more economical. Should you? There are plenty of reasons to get a different car, but saving money probably shouldn't be one of them. We'll show you why.

Why depreciation matters so much

Putting gas in your tank is only a small part of what it costs to own a car. The biggest cost is what's known as depreciation.

Depreciation is just a big word that means your vehicle loses more and more value on the used-car market over time. That becomes a problem if you're trying to sell or trade in your old car or a new car with the hope of pocketing some cash. If the car you want to buy costs $25,000 and your car is worth $10,000, you'd have to save more than $15,000 in gas costs to come out ahead.

Analyzing the payoff

How long would it take for you to break even by trading in a gas hog for a mileage champ? It's not too difficult to figure out. You just need a calculator (which can be found on numerous online used car sites) and a few numbers to plug in. You need to know the approximate value and gas mileage of your current vehicle and the one you'd like to buy.

Let's say you're driving a pickup truck that gets 14 mpg and trading it in on a 2013 hybrid that gets 50 mpg. Your truck is worth about $13,300, and the hybrid sells for $27,900. So you're shelling out $14,600 to get the economy car, not including taxes, fees, and licenses.

Figure that gas is $4 a gallon and you drive 1,250 miles a month. Each month, you'll save $257 in gas. That sounds good, but it will still take you 57 months — almost five years — to break even.

What if you want to start saving money quickly? You can buy a cheaper car that isn't quite as efficient and get a faster payoff. However, the monthly savings over the long haul won't be as great as with the more expensive — but more efficient — model.

Is it really worth it?

Lower charges at the pump aren't the only monetary factor when considering a trade-in. Besides taxes, fees, and licenses, there's the cost of a loan itself. So you have not only the cost of the car, but also the hundreds or thousands of extra dollars in interest on the loan.

In addition, a newer car will likely have a higher insurance rate than an older one simply because if it was totaled in a wreck, it would cost the insurance company more to replace it. Of course, if you buy a used car, you may face repair and maintenance bills relatively soon — just a new set of tires can cost $400 or so.

In the end, look at fuel costs as one part of your thinking about getting a new car. You should also consider comfort, reliability, and lifestyle. For example, if you need to haul around much more than groceries, that compact hybrid might not cut it.

If you're already in the market for a car, certainly keep fuel efficiency in mind. But if your only reason to switch is that you want to reduce how much of your family budget is going to your cars, think twice. Maybe the big gas-guzzler isn't so bad after all.

Protect yourself from identity theft

AMY WRIGHT

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By now, most Americans are familiar with the term "identity theft," and are aware of the serious and costly toll of having personal and financial information stolen.

Even though the financial services sector has waged an all-out war against identity theft and consumers are more aware than ever, more than 15 million Americans were victims of identity theft fraud in 2016, according to a **study** by Javelin Research & Strategy. This is a record number of annual cases, and a 16 percent increase since the organization began tracking identity theft in 2003.

To put those numbers into more tangible terms, Americans now lose more money through identity theft annually than from burglaries. So, just as you'd take steps to protect yourself from burglaries, it makes sense to take precautions to protect yourself from identity theft. Here are some tips and information to help.

What is identity theft?

Identity theft is a broad term referring to the act of having your personal or financial information stolen by criminals who then use the information to access bank accounts, open credit cards, make purchases, and commit a variety of other financial crimes.

Here are the most common forms of identity theft:

- Stealing credit card information. Typically hackers steal this information electronically, and consumers can be totally unaware of these breaches and often are incapable of preventing them. Keep a close eye on your credit card transactions and notify the card issuer as soon as you see a charge you don't recognize. In most cases, the credit card issuing company will stop payment on fraudulent charges — if notified prior to payment — and issue the consumer a new credit card. Typically, shutting down the compromised card puts an end to the problem.
- New account fraud. A thief uses personal information to set up a bank or credit card account in the victim's name. According to **idtheftcenter.org**, this type of fraud is increasing rapidly due to security breaches, mostly in 2015, that exposed more than 165 million Social Security numbers.

How can you protect yourself from identity theft?

Identity thieves don't need a lot of information to do financial damage. In many cases, your name, age, address and **Social Security number** will do. Or, as mentioned previously, they could simply get a credit card number. The key is to be vigilant about protecting your information. Here are some suggestions:

- Purchase a document shredder. It's smart to shred any documents with personal information prior to disposing of them. This includes items like credit card offers you receive in the mail, bank statements, medical statements, and essentially any bills or paperwork with your address and other information. If you have elderly parents, make sure they do the same.
- Consider electronic options. For example, most banks offer electronic monthly statements free of charge. And most utility companies, retailers, and other credit providers offer online billing and payment. While no electronic system is 100 percent secure, reducing the amount of paper mail with sensitive information can help reduce your risk of mail theft, which can reduce your risk of identity theft.
- Don't respond to email, text, or phone messages asking for sensitive information. Criminals have gotten extremely skilled at producing emails and messages that resemble legitimate correspondence from companies you do business with. In almost all cases, a legitimate request will direct you to the company's website where you can securely provide information. No legitimate company will ask you to provide information via email.
- Be careful online. Of course, you know to use hard-to-guess passwords and to change them regularly. But also take care when using your laptop, tablet, or phone on free Wi-Fi networks. Avoid using sites that require passwords while using public Wi-Fi. Cyber criminals can create fake Wi-Fi portals to capture passwords and other information that they can then sell. And when banking or shopping online, always look for a green padlock icon in the address bar, which indicates a site is secure. Keep in mind that if the padlock icon is gray, the connection between your browser and the site is only partially encrypted and not secure.
- Review your three credit reports. Identity theft can make a lasting negative impact on your credit score. With that in mind, it just makes sense to check all three of your reports annually. And it's free at **annualcreditreport.com**. When reviewing your reports, look for accounts you don't recognize or any other types of errors or questionable notations. If you notice something, report it immediately to the credit reporting bureau. The Federal Trade Commission has a **comprehensive website** to help lead you through the process.

What about large-scale data breaches?

If you hear there has been a breach you believe might affect you, contact the company immediately. Depending on the specific situation, federal o state laws may require the company to notify you if you have been impacted. Most of the time, the company will already have procedures in place for consumers to check if they have been affected, report any problems, and get assistance with any issues. **The Federal Trade Commission** has some additional information on how to handle these instances.

What about additional security products?

Identity theft protection products and services to help you monitor your accounts can be valuable and convenient tools. But before you pay for an identity theft protection product or service, check with your bank and other companies you do business with to see what types of protections they provide for free. Then do some research, read reviews, and seek professional ratings.

What steps should I take if I am a victim?

If you think you are victim of identity theft or fraud, here are some steps to take:

- **Notify your bank** and creditors. Close any accounts that have been compromised and reopen them with new account numbers and passwords. Consider following up with an email or letter.
- Change passwords to your email, bank accounts, credit card accounts, etc.
- Request copies of your credit report from the three major bureaus and review them for any additional fraudulent activity. Request a "fraud alert" for your file and add a victim's statement asking creditors to call you before opening new accounts or changing existing ones. Make sure all contact information is accurate.
- File a police report. Protect yourself from the unknown because there may be instances you missed or items (like credit cards or checks) you didn't realize were stolen. Be persistent even if the police advise against it and keep the case number and date in your records.
- Finally, document everything throughout the process (dates, names of those talked to, and times of conversations.)