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Teenagers at higher risk of identity theft

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CBS MARKETWATCH

Young people, particularly teenagers, are at a higher risk than mature folks for identity theft.

Experts at the Qwest 2004 Summit on Protecting Teens from Identity Theft found that teens tend to be more careless about sharing personal information, especially on the Internet.

So teenagers, here are some tips to help you keep your identity safe:

- Be smart online. Since most identity theft is perpetrated on the Internet, learn about the scams out there. Don't give away personal information. Don't respond to e-mails asking for such personal information, even if they appear to be from a legitimate source. If you like to shop online, make sure you're on a secure Web site.
- Know what can be used to steal your identity. Your Social Security number, driver's license, bank account and credit information are all important to protect. But even seemingly trivial information can give thieves or scammers an edge. Visit www.privacyactivism.org, where the game "Carabella Goes to College" will show you how your personal information can be manipulated.
- Guard your personal information. Coaches, teachers, employers or other adults might ask for your Social Security number or additional personal information. Ask why it is needed, how it will be used and how the adult will protect it from theft. If you don't think the information is necessary, don't be afraid to say no.
- Neither a borrower nor a lender be. Don't lend your driver's license, Social Security card or other form of personal identification to anyone -- even your best friend.
- Check your credit. If you have a bank account or a credit card, review your statements for irregularities every month. Ask your parents about ordering your one free credit report each year from a credit-reporting agency. The report will list all credit accounts, loans and other debts in your name.
- Talk to your parents about identity theft. They also play an important role in keeping your identity safe. Ask what precautions your parents have taken, and what other measures you might take yourself.

Bill-paying strategies vary by personality

Although everyone has to pay bills, most people don't approach the task in the same way.

When it comes to paying bills, Americans fall into one of six personality types, reports Lieberman Research Group. Which are you?

- E-savvy planner: You are most excited by new technology products and services for financial management. When it comes to money management, you're more willing to spend money on software and other tools that will help you be more efficient.
- Convenience seeker: You don't want to spend a lot of time and effort paying bills. You look for the "quick and easy" way to money management. You prefer to pay all your bills from one place -- usually your bank's Web site, where you can also track and control your spending.
- Self-improver: You find financial management to be stressful and time-consuming, so you actively seek out help to manage your finances. You're most likely to look for an organizational system that will help you make a budget and pay down debt.
- Maximizer: You actively manage your money to get the most -- whether you're aiming for a lower interest rate, better credit score or more frequent-flier miles. You may pay bills online, and pay them early, to optimize cash flow.
- Desperate avoider: You're most likely to be overwhelmed by financial planning and debts. One of your key behaviors is avoiding opening (and paying) bills.
- Paper pusher: You prefer to handle the entirety of your bill paying on paper, rather than take the security risks of

making banking transactions on the Internet.

Late payment can lead to higher rates

One late payment on your credit card can pack a pretty hard punch. Not only with fees and rate hikes on the card in question, but also with penalties on your other credit cards.

Almost half of all credit cards have so-called universal default penalties, which allow the credit card company to increase your interest rate if it discovers a late payment on your credit report for any credit card account or loan or other debt involving any other company. It doesn't matter if you've never made a late payment to that particular company.

This year, 44 percent of credit cards have universal default penalties, reports Consumer Action, a San Francisco-based research group. And the number is increasing -- only 39 percent of cards had them in 2003.

Penalty rates can easily top 29.99 percent compared with the average annual rate of 14 percent to 16 percent. These penalties go into effect when you are perceived as a delinquent borrower, usually after you make a late payment or go over your credit limit.

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