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PRESS RELEASE

ECONOMIC STIMULUS PACKAGE *How to Use Your Tax Rebate Check Wisely*

SAN DIEGO, April 29, 2008 – Tax season may be officially over, and many of you may be breathing a sigh of relief. But good news! If you don't owe money to the IRS, the U.S. government will be writing a check out to you. The funds are part of the Economic Stimulus Act of 2008, and the money will be sent starting April 28, 2008.

Economic Stimulus Act of 2008

In February, U.S. Congress passed and President George W. Bush signed into law the Economic Stimulus Act of 2008, which provides for economic stimulus payments to be made to over 130 million American households beginning May 2, 2008. If you filed your taxes this year, you may be receiving a tax rebate for as much as \$300 to \$600 or up to \$1,200 if married and you filed your tax returns jointly.

According to President Bush, the stimulus package will do the following: "...a package that...puts money back into the hands of American workers and businesses."

To help yourself and the economy, it is up to all of us to take the necessary action with these rebates. You may be tempted to forget you even received the rebate and leave the money in a mutual fund to collect interest, much to the dismay of the Bush Administration. The focus of the Stimulus Act is to make your rebate work for the economy, and for you, so the question at hand is, "If I spend the money, what should I do with it?"

Spending Your Rebate

According to a recent USA Today report, a National Retail Federation survey stated that consumers will spend nearly 41% of the estimated \$105.7 billion in rebates, pumping about \$43 billion into the economy. Americans will use about \$30 billion, or 28%, to pay down debt and save about \$20 billion, or 19%, the survey said.

Whatever you decide to do with your tax rebate, it is important to spend your money wisely and make decisions that best fit within your way of life. Read on for advice from San Diego Metropolitan Magazine on how to smartly spend your rebate check.

Paying Bills

You may find yourself with some bills you would rather do without. With your rebate check, you may be able to wipe out some of that debt. According to TheStreet.com, the average interest rate on standard cards is currently around 13 to 14 percent.

It is crucial that you pay off your balance so you will not have to pay anymore interest. Try paying off your credit cards with your highest interest rated first, as those will cost you more in the long run.

Mortgage Crunch

The housing market is suffering, but that does not mean you have to with your mortgage payment. One in seven mortgage holders worry they may soon fail to make their monthly payments and even more worry that their home's value is shrinking, according to an Associated Press-AOL Money & Finance poll showing widespread stress from the nation's housing crisis.

Use part of your tax rebate to help ease the payment of your mortgage. Save the money, and apply some of the refund toward your mortgage over the course of several months. Although only a temporary fix, it is a good opportunity to prevent mortgage lenders from imposing penalties on late or missed payments.

Rising Cost of Gas

Unfortunately, some of your tax rebate will be used to offset the cost of increasing gas prices. Gasoline prices set record highs in California at about \$3.774 a gallon, according to a Los Angeles Times report.

Fortunately, industry analyst experts expect a reversal by late summer. So, if a road trip is in your near future, try to plan it for later this summer as gas prices are expected to decrease.

Vacation Destinations

Travel agencies, such as Expedia and Orbitz, are offering packages to many U.S. destinations starting at under \$600. If you have ever dreamed of going New York, Los Angeles or even Washington, D.C, this is your chance to purchase airfare and hotel stay for one low affordable price.

This is a wonderful opportunity to put money back into the economy and benefit yourself at the same time. Not only are you stimulating the economy, you are inspiring yourself to go out and see our nation for the many beautiful aspects of life it has to offer.

Optimistic Outlook

Despite our economic woes, our nation's economy will get better. It would be bliss to receive a rebate check every year, but the fact is it just will not happen. While we hope for the best for the economy, we should be using our own personal rebate toward those expenses that have the greatest impact on our personal financial situation.

San Diego Metropolitan Credit Union (SDMCU) is committed to its community and members and provides services to families and individuals to manage their personal finances. SDMCU has been in business since 1934 and serves over 20,000 members. SDMCU's corporate headquarters are located in San Diego and information about SDMCU is available on the worldwide web at www.sdmcu.org.

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