

MONEY SENSE

Genesis
FINANCIAL MANAGEMENT INC.

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NEW BEGINNINGS, DEBT FREE

Kids and Credit: A Recipe for Trouble?

Pop superstar Madonna reportedly gave her daughter when she was eight, a credit card with a \$10,000 limit in the hope that it will teach her to be financially responsible. Sound a little over the top? Maybe. But a recent report in *Kiplinger's* suggests that some parents like the concept, maybe not for kids as young as 8 but for their teenagers, as a way to start teaching them how to manage money. What do you think?

The author of the *Kiplinger's* article maintained that the best way for kids to learn financial responsibility—including how to pay bills on time and stay out of debt—was not to have a credit card but to learn how to manage cold hard cash and a checking account first. And a study quoted in the article found that teenagers who use credit cards are “less price sensitive, spend more and overstate their available wealth compared to those who write checks or pay cash.” How many of us have done the same things as adults?

The question of whether or not to allow your child to have a credit card is a personal one, but no matter what choice you make, you owe it to your kids to talk to them openly and honestly about credit, debt and money management as soon as possible and as often as possible.

As much as it may seem sometimes like your kids aren't listening to you, especially as they enter adolescence, you'd be surprised at how much they still look to you as a role model, and the *Kiplinger's* study found that parents are the leading source of information and advice for college students regarding credit card use. The more information parents provided, the less debt their college-age kids incurred.

Any parent who has ever had to deal with overwhelming debt knows how difficult it is, and would probably never wish that for their kids. Talk to them about what you've gone through and explain what you—and they—can do differently in the future to avoid those problems.

The advice can be as simple as explaining how a credit card works or showing them how long it can take to pay off credit card debt using a payoff calculator at a site such as *Kiplinger.com*. You might also talk about what shows up in a credit history and how it can affect many aspects of their life—including housing choices, insurance, jobs and, of course, future credit, for years to come. Finally, don't forget the importance of having a budget and a credit re-payment plan. Those can be powerful lessons.

Dollar Saver\$:

Health & Personal Care

- Practice preventive health maintenance to cut down on costly illnesses (i.e., flu shots, kids' immunizations)
- Make your own ice packs—mix 3/4 c. water with 1/4 c. rubbing alcohol in a zip-loc bag and close. Place into a second zip-loc bag, seal and freeze. You'll have a slushy pack ready to go!
- Carefully examine hospital bills—they are notorious for containing errors.
- Utilize walk-in clinics whenever you can; they're cheaper than emergency rooms
- Shop prescriptions— they can vary in price from one pharmacy to the next. It may also be cheaper to order by mail.
- Mix baking soda and water to make a great facial scrub.
- Use a wet, black tea bag on a canker sore to relieve pain and promote healing

Payment Address

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P.O Box 100280
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Are you happy with your debt management plan and with the service you've been receiving from Genesis? If so, please know that the highest compliment anyone can pay us is a referral. If you know of someone who could benefit from the kind of debt relief and counseling we offer, we'd love it if you could pass our number along!



Credit Fact:
The credit card industry was born in the 1920's when hotel chains and oil companies started issuing cards that could be used at those particular businesses. The first universal card that could be used anywhere was issued by Diner's Club in 1950, followed by American Express in 1958. Visa and Mastercard came later. The credit counseling industry was started by creditors around the 1950's

Your credit report isn't the only report companies use to determine if they want to do business with you.

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Help for Homebuyers and Owners

We fully support our clients in their efforts to achieve and maintain the American dream of homeownership. Clients near us in the Tampa, FL area can take advantage of free homebuyer's workshops we offer throughout the year. And we strongly encourage all of our clients, wherever you are, to seek out and attend these classes in your

neighborhood, as you can often find organizations that provide certificates through the classes that may help you qualify for certain types of loans or down payment/closing cost assistance.

If you are in the market to buy a home, or if you already own a home and would like to refinance to take advantage of better rates, we're happy to answer

questions about the process and possible options that might be available to you., especially if you are concerned about how participating in a debt management program might impact your ability to obtain new loans. We can help you explore all possible alternatives to achieve success. Please ask one of our counselors for more information.

Money Smart Topic of the Month: Consumer Reports

If you've ever come away frustrated because a handyman or mechanic charged you an "arm and a leg" for repairs on your car, hot water heater, air conditioner, plumbing, etc, it could be that you did what most of us do when faced with an unexpected problem—acted in haste to get it fixed as quickly as possible without careful consideration of price or terms.

It's easy to be taken advantage of— and to be overcharged— when you don't know what kinds of questions to ask or how to tell if a price is "fair". But how do you avoid that? Here are eight things to say to any repair person that could help you save big!

Name Drop: A company is usually less likely to rip off the friend of a good/loyal customer.

Explain: Explain what is broken and use as many technical terms as possible. By being clear about what happened and what needs to be done, you reduce the chance that unnecessary costs are added to the bill. It may be helpful to do some research so you can speak their language.

History: If the problem has happened before, make them aware.

Ask Questions: Ask if there is a way that you can fix it yourself. If he/she is busy, they might just tell you.

Payment: Be clear when it comes to payment. Ask what their rates are or if there will be a minimum fee. Most companies have a base charge plus an hourly rate. Also keep in mind that a verbal quote is not legally binding, so ask for it in writing.

Photo: Ask if you can e-mail a photo of the issue. This can possibly save you money by not having the wrong person come out for the job.

Buy the Supplies: Ask if you can purchase your own supplies. If they agree, you could save yourself up to 20%. Usually companies mark up the prices on parts and charge shopping/delivery fees.

Insured: Make sure whoever you hire is insured and **licensed**, if required in your state. Do your research and check on www.contractors-license.org to verify its legitimacy.

Speak with confidence and knowledge, and you could save yourself a lot of money.

- Money magazine

Having Trouble Making Your Monthly Payments?

If you are having trouble making your monthly DMP payment, contact our Client Services department to see if

there is help available to you. In addition we are partnering with other help agencies to provide a wider

array of services to help consumers. Call 1-800-460-8641 to see what services are available to you.

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