

MONEY SENSE

Genesis
FINANCIAL MANAGEMENT INC.

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NEW BEGINNINGS, DEBT FREE

Couples: Are you Financially Compatible?

Love is in the air. Summer is the most popular time to get engaged or married but when is the right time to ask your mate those important financial questions?

A recent article in *EBONY* magazine stated "Money, how it is spent, and who controls it, is one of those issues that can make or break a marriage," so not talking about it is incredibly dangerous. Before you mail the invitations, order the flowers, and say the final 'I Do's,' sit down and ask your soon-to-be the five questions that matter the most:

How Much Does He or She Earn? The first things that one should know is how much income your soon-to-be spouse earns annually and where that money is primarily coming from; i.e. work, real estate, investments or other assets. Knowing this information affects your collaborative bottom line and also helps determine your lifestyle as a married couple.

How Much Does He or She Owe? Knowing how much money is going out is just as important as knowing how much money is coming in. Find out if your partner has any long-term debt obligations such as alimony or child support payments. Also, find out if they're in default any bills, have debts in collections, or have a judgment against them. Not knowing this information can be a dividing force, so being

honest and upfront is very important.

What's His or Her Credit Score? By looking at a credit score you can tell a lot about that person. Even though there is no such thing as a joint credit score, if your spouse has a negative credit history, it could affect your ability as a couple to purchase big ticket items like a house or a new car.

Who Will Pay the Bills? Together, couples must determine who is better organized and able to keep track of household income and expenses. Even though this may primarily be the job of one person, both partners must maintain responsibility and be aware of all financial transactions that affect the household. Joint accounts ensure accountability by both spouses.

Are You Financially Compatible? If you're not sure, the best way to find out is to conduct a 30-day trial budget together. Too often, couples assume that their partner's financial behavior can be changed after they're married, but some habits may never be broken!

We live in a credit-based society, so it is almost impossible to find a person with no debt and perfect credit. Don't be embarrassed if you had a financial bump in your past. Just be honest with your partner to avoid financial stress in the future. □

Dollar Savers: Back to School— Clothing

- Care for the clothing you buy properly, otherwise you'll end up with pants that shrink or shirts that fade too soon.
- Take advantage of 'hand-me-downs'. When clothes don't fit, pass them down to a younger sibling or family member.
- Consider buying clothing for your children slightly larger. They will grow into it and the clothes will get more life out of them.
- Shop at outlets where the prices are slightly discounted. That way, you can save money or buy that extra uniform that may be needed.
- Buy out-of-season. Jackets and sweaters are more inexpensive when bought in the summer months. Buy them large enough and store them away for winter.
- Take advantage of tax free savings. Some areas offer a week where all school related clothing and supplies can be bought without having to pay sales tax.
- Donate clothes you no longer want to organizations like the Salvation Army or Goodwill to help other families in need.

Payment Address

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****Reminder** Genesis Financial Management does not accept personal checks. Personal checks that are received will be returned to you, possibly causing your payments to be late in getting to your creditors.**



Fiscal Fitness: Goal Setting

Any goal can be accomplished by using specific strategies. Strategies for creating successful financial goals include:

- 1) Organize your financial information
- 2) Look at the big financial picture, as well as individual goals
- 3) Figure out costs of major financial goals
- 4) Pinpoint opportunities you may be missing
- 5) Meet with everyone involved to find ways to reach each goal

"By understanding the many choices available to you, you place yourself ahead of the game."

- Money Made Simpler

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Investing in Annuities...What You Should Know

Annuities are an often-promoted but little understood investment tool. The benefits are heavily touted, but they aren't right for everyone.

Annuities are investments that are wrapped inside an insurance contract. These can be purchased from a bank, a stockbroker, an insurance agent, or a mutual-fund stockbroker. Your earnings in an annuity grow tax-deferred, just like they would in an IRA or 401K, and most annuities guarantee that you'll at least be able to get back what you put in

On the flip side, however, annuities can carry large annual fees, and the people who sell them can charge very large commissions—sometimes up to 12% of the money invested.

Plus, if you intend to withdraw your money within 7-10 years, you may have to pay 5-10% of the value in surrender charges. According to federal and state regulators, the size of the commission and/or additional charges and fees are not always disclosed in the sales pitch so be careful.

Only consider an annuity if you already contribute the

maximum to your 401K plan, IRA, or Roth IRA. Also make sure you don't need the money for at least 15 years and can wait to withdraw it until you're 59 1/2.

When compared to most other investments, annuities rarely come out ahead. The high fees can eat into your earnings, and it could take up to 20 years before you earn more in an annuity than you would in an ordinary taxable investment with the same rate of return.

To learn more about annuities, visit parade.com

All That Clunks, Isn't Necessarily a Clunker

During the recent "Cash For Clunkers" program, I began to think maybe now was the time to trade in my wife's 1994 Toyota Camry with over 200,000 miles for a nice new car with that "new car smell". Doesn't everyone enjoy the first whiff of air after getting in a brand new car?

Much to my surprise her car didn't "qualify" as a clunker! Sure, the exterior isn't as pretty as the day we bought it 15 years ago. It burns a little bit more oil than it did back then too, but looking at the car, it is still a very dependable, low maintenance vehicle that

still gets over 19 miles to the gallon. That's two miles over the 17 MPG limit the government had established.

To be truthful, I think my wife was thrilled we didn't trade in her car because she's made the claim that she wants to hit the 500k mark with this car or drive it until it literally falls to pieces. We haven't made a car payment for her in over ten years. We keep up with the maintenance and oil changes as needed. So really the car hasn't been a burden on us financially over the last ten years.

Now compare that to the

cost of the new car with payments, increased insurance and additional maintenance over the life of the vehicle and it just didn't make sense to us. She is just as happy with her old dependable clunker as she would be with a new car.

Since we kept her car, I gave her a new paint job, new retractable antenna and new interior mats. Along with a thorough interior detailing, the car looks almost as good as the day we drove it off the lot. The only thing missing was that new car smell. <sigh> Now if I can just find that scent in a spray bottle!

Stay on Track with Genesis

You're on the Debt Management Program so you are already on your way to becoming financially free. But...are you keeping in touch with Genesis?

Stay on the right track and contact Genesis every 3-6 months to update your

balances. Keep track of your progress. You will feel a sense of satisfaction once you see that debt start to dwindle.

Check your statements every month. If you notice anything out of the ordinary, give one of our Accredited



Credit Counselors a call. Our highly trained counselors are here to assist you Monday-Fridays 9am-7pm, EST.

Check Us Out Online!: www.YourGFM.com