

MONEY SENSE

Genesis
FINANCIAL MANAGEMENT INC.

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NEW BEGINNINGS, DEBT FREE

Kids and Money: Are We Wrong?

Are we setting up our children to fail when it comes to managing money? According to a recent national survey in *Money* magazine, "Classes that teach kids about money are failing." High school students that participate in personal finance classes are actually scoring lower than students who don't participate. What are we doing wrong?

The primary problem with teaching finance in high school is that it may be too late. Children start to get an idea of how finances work prior to entering kindergarten, when they see their parents go to the bank, purchase groceries, use a credit card, etc. Even if they don't fully understand, what they observe when young can shape their future attitudes about money and spending.

By waiting until your child goes to high school to start educating them about money, you run the risk that they have already developed bad habits or a careless attitude towards money, especially growing up in the "MTV Generation."

According to the *Money* article, the best age at which to start educating kids about finances is between 8-12 (middle school). So talk with your children about managing their money at an early age; you would be

surprised how attentive they are.

Not only should you encourage your children to save money, but show them how. When it comes to saving money, people learn best by doing. This is especially important when it comes to a weekly allowance. When a child knows they will be receiving money every week, they lose the incentive to save. Rather than giving them cash in hand and expecting them to do right, sit down with your child and help them set goals and determine how much money they'll need to reach those goals. It is much easier to save money when they have a specific target to meet.

As they get older, think about spreading out the distribution of money from weekly to biweekly and eventually monthly. This will encourage your child to make the money last and forgo more frivolous items or activities to achieve that goal.

Finally, don't give in. If their allowance is spent, don't dish out more cash. Let them make their own mistakes so they can learn from them. Your children will never learn the concept of financial discipline if they know you'll always bail them out when there's a problem.

Dollar \$aver\$:

Credit Card Spending

- **Shop Around:** Credit card companies are very competitive. Chances are you can find a better deal.
- **Read The Fine Print:** The application is a contract. Read and know what you are agreeing to and ask questions if you don't understand.
- **Open and review your bill promptly:** This will make sure you pay your bill on time and spot any fraudulent purchases.
- **Pay Your Bills on Time:** Making late payments can have an adverse affect on your credit score and can result in expensive penalties
- **Don't apply for additional credit cards:** if you already have high balances on your existing accounts.
- **Review your credit report annually to ensure accuracy.**

Payment Address

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Are you making timely monthly payments through the Debt Management Program but yet your regular monthly creditor statements are still reflecting a past due balance? Why is this and what can you do to fix it? *See back for details.*



Take a “Free” day!.. or week or even a month. If you’re trying to save money and tighten up your budget, challenge your household to go a whole day—or longer— without spending money on anything but absolute necessities. Look for free activities to entertain, get creative with the food in your cupboard instead of going out, limit your driving to save on gas and avoid impulse purchases and habit buys (like that cup of coffee at Starbucks!)

Repairs are inevitable. Know the right questions to ask and avoid having your repair become an over-priced budget buster...

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Six Steps to Better Interest Rates

Getting a better rate on your credit card may not be as hard you think. Try these steps to get what you want:

1. Research which cards offer the best rates by visiting a site like Card-Web.com, an independent databank which analyzes and ranks cards according to their terms.
2. Call your current creditor(s) and ask them to give you a specific rate.
3. Hold firm if they won’t budge— remind them of how long you’ve been a customer and, if applicable, how good your credit rating is.
4. If you still aren’t getting anywhere with the customer service rep, ask to speak to a

supervisor.

5. Tell the supervisor you’d like to cancel your card because the company won’t lower your rates
6. If the final answer is still no, let them know you’re going to stop using the card (but don’t actually cancel it, as that can affect your credit score)

Avoid Getting “Ripped-Off” By the Handyman

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 shipping/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 money.

- Money magazine

Do Your Creditor Statements Say You’re Past Due?

If you are making steady and consistent payment while on the Debt Management Plan (DMP), your statements should not be showing “past due”. This is a strong indication that your account is not set up on the program or has been re-aged within the last five years.

Missing a payment in the past (prior to enrolling in a DMP) and not making it up

can also result in a “past due” notation on your statement, and it can adversely affect your credit score.

The best way to handle the situation is to contact our Client Services department and set up additional payment arrangements to bring the account current. Any one of our qualified counselors will be able to evaluate your account to see where

the error occurred. Or we can contact your creditor to rectify the situation. We are here to help you Monday-Thursday 8am-10pm, and Fridays 8am-9pm, EST

Please make sure to review your regular monthly statements each month as well as your monthly statement from Genesis. This will ensure accuracy and avoid errors.

Check Us Out Online!: www.YourGFM.com