

MONEY SENSE

Volume 2, Issue 8

August 2006

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 Make? 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

Genesis Financial Management
P.O Box 758602
Baltimore, MD 21275-8602

****Reminder** Genesis Financial Management no longer accepts 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

Genesis Financial Management

14025 Riveredge Dr
Suite 505
Tampa, FL 33637

Phone: (800) 460-8641
Fax (813) 866-5120

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

Have you ever gone to purchase a car or apply for a credit card and the deal seems too sweet to be true? Well many companies offer great incentives for your business, but are they worth it? Check out these offers so that when presented, you can say "Deal" or "No Deal"!

Interest-Free Financing
Football season is almost here and you want that big screen TV, but it costs \$2500 that you don't have. The salesman offers you interest-free financing for 18 months. Deal?

NO DEAL! If you don't plan to pay more than the minimum. Paying the mini-

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

Deal or No Deal?

mum will never clear your debt within the interest-free window. Plus, if it isn't paid off, most companies back-date that interest to the time you bought the merchandise. **Extended Warranty**
You just purchased a new computer, and it comes standard with a 1-year limited warranty but for an additional \$200 you can get the extended warranty that covers you for four years. Deal?

NO DEAL! There is a reason that extended warranties are so profitable. Rarely do consumers need to cash in on the warranty because most computers and electronics are reliable. Plus, if

your computer breaks down in three years, you will probably want a newer, faster computer anyway.

Balance Transfer Cards
When you check your mail, you notice you were pre-approved for 0% APR on balance transfers for 12 months. Since you have credit cards with high interest rates, you are very tempted. Deal?

DEAL, IF... you plan to put only the balance on the card, not make new purchases on it, never pay late, and pay off the entire balance within 12 months. If not, then you could end up paying up to 30% interest on your great "0%" card.

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-Thursday 8am-10pm, and Fridays 8am-9pm, EST.

Check Us Out Online!: www.YourGFM.com