

MONEY SENSE

Genesis
FINANCIAL MANAGEMENT INC.

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NEW BEGINNINGS, DEBT FREE

What's The True Cost Of Your Happy Holiday?

I'm happy to say I was not one of the people standing in line at 5am outside Wal-Mart on the day after Thanksgiving, and I successfully avoided succumbing to the sales ads in the papers. How about you?

More than probably any other time of year, the holidays tempt us to spend with glossy ads, slick commercials, too-good-to-pass-up bargains and the promise of the "perfect gift" for that special person on your list. The National Retail Federation reports that the average consumer this year will spend \$800 for the holidays and an additional \$100 on themselves. Have you checked your receipts from last year yet? Where do you fall on the spending scale?

The true cost of your holiday needs to be measured not only in what you spend during the months of November and December but in the ripple effect it can have on your finances for the other 10 months of the year. The laws of money state that there's an "opportunity cost" to every decision we make. To have one thing, we give up the opportunity to have something else. For me to buy the on-sale portable DVD player, I may have to give up or delay the purchase of the new cell phone or the extra dinner out. Ask yourself these questions:

Do you have an emergency fund with at least three months worth of household expenses in it?

If you have young children, are you saving something every month towards their higher educations?

Are you saving for retirement? If yes, are you saving enough?

If you answered "no" to any of these questions, think about all of the money you may spend on the holidays this year and what it could be doing for you instead. By choosing to buy those few "extra" gifts, you're giving up or delaying the opportunity to build financial security or invest that money and watch it grow. Now think about the cumulative effect of all of the holidays that have been and are to come and all of the money you may spend just on 1-2 months out of the year. Is it really going where it should go?

Consider giving yourself a really great gift this year by spending a little less on the holidays and more on things like paying down credit card debt, paying off an expensive car loan, boosting your emergency savings, paying down student loans or adding to your retirement fund. These gifts may not come in shiny packages, but they keep on giving long after the wrap is gone!

Dollar \$aver\$:

Surviving Christmas

- Christmas is the same time each year. Start planning early and put a little money aside each month. Don't wait until the last minute to think about gifts.
- Assign a dollar amount to each person you plan on buying a gift for and then total it up. This is your Christmas budget and stick to it. Don't get caught up in the sales and overspend.
- Do not finance Christmas gifts! Pay cash. Put the total amount of your Christmas budget into an envelope. Once the cash is gone—the shopping is over!
- Christmas is a season of giving. Last year, approximately 69% of Americans bought gifts for themselves. You buy things for yourself all year long. Instead of "gifting" yourself consider investing that money or putting it into your "rainy day" fund

Payment Address

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

A couple of reminders . . .

For a change to your account to take effect with your next payment, we require notice no later than three business days prior to your payment date.

We no longer accept personal checks for DMP payments— Money Order or Western Union only, please.



Out Of Sight, Out Of Mind

Do you have direct deposit? If so, have a portion of your paycheck be automatically deposited into a mutual fund. Investing a small amount each paycheck, makes it easier than writing a big check at the end of the year, and you are likely to save more.

Your best place to start investing is your 401(k). Many companies are making it easier to save for your future by matching a portion of your deposit. Take advantage and make your money grow.

Think of your financial plan like a recipe. For it to turn out well, you need to use the right ingredients!

Genesis Financial Management

14025 Riveredge Dr
Suite 505
Tampa, FL 33637

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

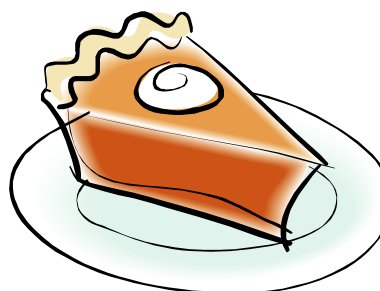
Recipe for Success: Preventing Financial Problems Pie

Are you looking for a way to rebuild your credit? To begin, you must understand where your money goes and how to spot and prevent financial problems. Here is an easy recipe that will ensure you “serve up” a healthy portion of financial wealth and well-being.

Preventing Financial Problems Pie

Ingredients:

1 cup of organization
2 tablespoons of creating a realistic budget
3/4 cup of eating at home
3 teaspoons of avoiding impulse buys
1/4 cup of avoiding sales
3 teaspoons of medical insurance
4 cups of not charging if you can't afford it
6 tablespoons living without credit
2 cups of savings
3 teaspoons of avoiding cosigning for someone



Instructions:

Melt the **organization** together with a **realistic budget**, periodically checking it and readjusting your figures and spending habits. Combine that together with **eating at home** because it is much cheaper and often healthier to cook using fresh or dried ingredients. To save time, cook enough at one time for two meals.

Gently stir in and resist **impulse buys**. When you see something you hadn't planned to buy, don't purchase it on the spot. Go home, think it over, and see if it fits in your budget. Add in the **avoiding sales**. If you buy something you didn't need to begin with, you are spending unnecessary money. Add **medical insurance** to the mixture. You can't avoid medical emergencies, but living without medical insurance is an invitation to financial ruin.

In a separate bowl, mix **not charging** and **living without credit** together. If you can't afford to pay for something now, what makes you think you can pay for it when the bill comes, plus interest. Try not using your credit cards for a while. Studies show the best way to cut spending is to use the cash on hand.

Finally, make sure to add in the **savings** to ensure your pie will last even in tough times. Bake all ingredients together in a balanced checkbook and sprinkle it with **avoiding to cosign for someone**. Your signature obligates you as if you were the primary borrower. Follow these directions and you have your self a big piece of satisfaction. Look for future recipes to come!

Consider This Before Canceling Your DMP . . .

This is the time of year when many of us who have otherwise learned to live without credit may wish we had access to just one card to help us with our holiday shopping and travel plans. Before you consider canceling your debt management program though, we urge you to consider the following:

1) Many creditors may not provide the same level of benefits if you later try to

add them back onto the DMP and *some may not accept you back onto a DMP for up to five years* once you've removed them.

2) You will likely see your interest rates go up to pre-plan levels.

3) Your monthly payments may increase and even double from what you've been used to paying on the DMP.

4) You may see late and over the limit fees that had

been waived added back into your balance.

5) If an account was in collection, the collection calls will start again.

6) We will not be able to issue you a completion letter.

If you're thinking of canceling, please give us a call. One of our Accredited Credit Counselors would be happy to help you examine all of your options.

Visit our Website: www.YourGFM.com