

# MONEY SENSE

**Genesis**  
FINANCIAL MANAGEMENT INC.

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## NEW BEGINNINGS, DEBT FREE

### Surviving A Layoff: How to Prepare

As the saying goes, “hope for the best but prepare for the worst.” That’s certainly true when it comes to surviving a potential job loss. Job reduction announcements fill the papers every day. Even if you feel secure in your position, it can’t hurt to put some of the following safety nets in place, just in case. These could also be beneficial in the event your spouse loses his/her job, you decide to cut back on your hours to spend more time with family or someone becomes ill and unable to work.

**Build that emergency Fund**— financial planners recommend you keep 3-6 months worth of expenses in savings. The best way to start building that stockpile is through direct-deposit from a paycheck or checking account. Struggling to find money to save? Track your spending for a month and try to identify areas you could make adjustments in.

**Slash your high-interest debt**— Try to pay down credit card, auto and home equity debt as quickly as you can. That’s the kind of debt that can be extremely hard to deal with when you’re out of work. Try not to add to your debt if you can help it. Use credit only for reasonable purposes.

**Keep networking**— don’t lose track of your peers in the industry you work in. Join a professional group or networking organization and keep in touch with folks. Keep your resume up to date as well. You might get a lead on another

job well in advance of when you need it.

**Get a line of credit while you’re still working**— While we wouldn’t advocate taking on more debt at a time when your income is decreasing, if you are a homeowner with some equity, you might consider applying for a reasonable equity line that you can use as a back-up (and only as a back-up!) in the event that you run into serious cash flow problems. It will be easier to qualify while you still have steady income.

**Apply for disability coverage while you’re still working**— your employer’s plan, if they have one, may not provide the level of protection you need. Group disability coverage can be threadbare if you have a lengthy illness or injury. It makes sense to buy a personal policy that is based on your income and family’s unique needs.

**Stay away from your 401k**— The possibility of losing your job is a perfect reason NOT to touch your 401k. If you borrow against it, you’ll have to pay it back in full before your last day at work. And tapping retirement savings when cash flow is tight will only leave you in a lurch later. Try to avoid it if at all possible.

### Dollar \$aver\$:

#### Household Cleaners

What a great way to “Go Green” and save money!

- Mix 1/2 cup of Borax with one gallon of hot water to make a cleaner to be used throughout the house. (you can also mix 1/8 cup Borax with one quart water for a smaller batch you can use in a spray bottle)
- Sprinkle baking soda in your toilet and add white vinegar. Scrub with a brush for a fresh bathroom.
- Clean and unclog drains by mixing one cup distilled white vinegar and one cup baking soda into a pot of boiling water. Pour mixture down drains and follow with tap water.
- To make cleaning a dirty microwave easier, put a few lemon halves in a microwave safe bowl. Fill with water and microwave on high for 3-5 minutes. Let the bowl sit for a minute or two and then wipe clean.

### Payment Address

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**Just a reminder that we have moved! All written correspondence should be sent to us at:**

**Genesis Financial Management**  
12640 Telecom Drive  
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(Payments still go to our PO Box)



### Get Rid Of Junk Mail

Unlike unwanted phone calls, there's no one-stop "Do Not Mail" number you can call to cut down on the junk mail. But there are alternatives. At [greendimes.com](http://greendimes.com) you can either pay \$20 to have them go through the process of getting your name off mailing lists (they promise to eliminate 90% of the junk for up to five years) or you can opt for the free "do it yourself" program.

At [donotmail.org/form.php?id=50](http://donotmail.org/form.php?id=50) you can plug in your name and address, and you'll be emailed form letters you can print and send to companies whose mailing lists you'd like to be removed from.

Now more than ever, we need to know where to go for help when the bills become overwhelming.

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## Your Money: Watch That Credit Card Limit!

Credit card companies raising interest rates is nothing new, but now they are also starting to cut limits for some of their current users. While this latest move by many major banks is an effort to stem their losses and minimize their risks as credit card debt skyrockets and increasing numbers of consumers fall behind, it can have troubling consequences for already debt-strapped borrowers.

Ultimately, reducing a consumer's limit is a good thing in the sense that it can prevent you from digging too much further into debt; however, in the short term it

can have troubling consequences for your credit score.

Consider this. A significant portion of your score is based on what's called the "credit utilization rate" or debt-to-credit-limit ratio. If you're carrying a \$4,000 balance on a card with a \$10,000 limit, your credit utilization rate is 40%. But if your card issuer suddenly decides to reduce your limit to \$5,000, now your credit utilization rate jumps to 80%. A high utilization rate can result in lower credit scores which can mean you'll be considered a riskier borrower when applying for future

credit and may end up paying more.

You credit card company is required to notify you at least fifteen days before making any changes to your account, so make sure you read all correspondence carefully. Too often, we simply throw these letters in the mail and don't learn of the change in policy until it's too late. Of course, the best defense against any potential change is to pay your bills on time and pay down that debt as quickly as possible.



## Good Resources for Tough Times

It seems like bad financial news is everywhere these days, and many of us have probably been affected in one way or another. If nothing else, the rising price of gas, food and credit has meant our dollars do not go as far as they used to.

If you find yourself wondering who might not get paid this month or how you're going to eat and keep the lights on, the water running, and the roof over your head, here are some resources that might help:

**Food**— try the SHARE network or [angelfoodministries.com](http://angelfoodministries.com). Both are national programs, open to all, that offer you the opportunity to purchase food at a significant discount over supermarket prices.

**Housing**— for renters, local non-profit organizations may offer short-term cash assistance. If your city or region has an information line, they can often connect you to the right resources. For homeowners, these same resources may apply, or contact

HUD's housing counseling hotline to find a counselor near you who could assist with mortgage problems. Call (800) 569-4287. Or you can try "Home Assure," a nationwide foreclosure prevention program at (877) 818-5337.

**Utilities**— Contact your county's Community Action Agency or Dept. of Social Services for resources. Many areas offer temporary cash assistance through the LIHEAP program

## Please Note: A Few Important Reminders

To ensure that everything goes smoothly once you start a debt management program, please remember the following:

To avoid having payments reach your creditors late, it's recommended that you re-set your due dates with your creditors so they

coincide with when we disburse payments on the program. Typically, this would mean adjusting your due dates to be 21 days after the payment date you selected on the debt management program.

On another note, if you ever need to change your

debit date— or stop a debit altogether— remember that we need at least three business days notice to make that change. Otherwise, the debit will go through as scheduled. There is a \$5 fee each time a change like this is requested.

Visit our Website: [www.YourGFM.com](http://www.YourGFM.com)