

MONEY SENSE

Genesis
FINANCIAL MANAGEMENT INC.

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NEW BEGINNINGS, DEBT FREE

Payday Loans Usually Don't Pay

Would you pay 730% to get a loan? If this figure sounds just a little outrageous, consider that thousands of people all over the country willingly pay this type of interest week after week when they take out short-term loans through payday lenders.

Also known as "deferred presentment" loans and "cash advance" loans, these types of loans have become a very popular form of borrowing for cash-strapped consumers trying to get from one paycheck to the next or deal with unexpected expenses. And for good reason. They are easy to get and don't cost a lot. Or do they?

Each time you take out a payday loan, you will most likely pay a processing fee to the lender that could be upwards of \$50 or more. That's \$50 you could have used to pay other bills. And when you consider the overall "cost" of these loans including the fees, the annual percentage rate on them can easily exceed several hundred percent.

Compare that rate against the 10-15% that most banks and credit unions charge for personal loans. Even the 30% rate that some credit cards may impose seems tame in comparison. Yes, I know that when you're struggling to make ends meet, a small fee seems a small price to pay for financial aid, but the interest rate is not the only troubling aspect of this type of credit. The fact is that the

majority of payday loans are taken out by repeat customers. If you end up taking out a payday loan to get from one paycheck to the next, you're spending money you don't even have yet, hoping that you'll be able to pay it back once you get paid again. But chances are that next paycheck already has someplace to go—other bills it's budgeted for. It's spent before it comes in. So what do you do? Extend the payday loan. It can become very easy for a consumer to get stuck in a cycle of borrowing that lasts months, if not years. This prevents you from getting ahead and from achieving other financial goals, like saving money or paying off debts.

So what's the alternative? If you find yourself between a rock and a hard place, consider these options: can you borrow money from friends or family? Would your employer be willing to extend you a short-term loan or advance on your paycheck? If you're borrowing to stay current on other loans, have you contacted those creditors first to see if they will help you out with loan restructuring, temporarily reduced payments, etc? What about emergency assistance programs through your local utility company or neighborhood nonprofit to help keep the lights on, food on the table, etc? And don't discount your own bank or credit union as a source of quick cash.

The bottom line is that payday loans should be the option of last resort. They can hurt more than help.

Dollar Savers: Stretch Your Beauty Dollars

- **Skip the spa and scrub up at home.** Don't waste your money on expensive exfoliating scrubs. Mix a few handfuls of coarse sugar with a drizzle of olive oil and scrub off that dead skin in the shower. Inexpensive and all natural.
- **Fake that perfect manicure.** Stop spending \$15-25 on that nail salon manicure and do it yourself. Soak your nails in warm water and lemon juice to remove stains and soften cuticles. File, buff for shine, and you're good to go.
- **Maximize your favorite lipstick.** Love the color but want a different look? Apply lipstick over a thin coat of Vaseline for that glossy look. For a matte look, dust with loose powder. Rub an ice cube over lips for even longer lasting color.
- **If a salon is a must, stake them out for deals.** Most top salons offer low-cost cuts on nights when their student stylists practice their skills. Want to save even more? Try a beauty school. You get the same treatment for a fraction of the cost. Don't worry— in both situations, students are closely observed by their senior colleagues and/or teachers.

Payment Address

Genesis Financial Management
P.O Box 758602
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Reminder: You can now enroll in our debt management program through our website, www.yourgfm.com. The process is fast, easy and can be done 24-7! Do you know someone who could/should be receiving the same benefits you are to help them get out of debt? Now they can get started with just a few mouse clicks!



Start early to set your child on the path to financial success!

Studies show that children already have a preconceived notion of how money works prior to age 5. Waiting until your child goes to high school to start teaching them about finances may be a huge mistake.

Talk with your children early about managing money. You will be surprised how attentive they are.

Let your child learn about the actions, responsibilities, and consequences that come with money. Create a sample budget with them and relate it to the household budget to show them the importance of staying on track!

Before you hit the road this summer, consider how you can save money and still have a good time!

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With Gas Prices Soaring, Why Road Trip?

Taking a family road trip isn't the cheapest way to travel anymore due to skyrocketing gas prices. And rising gas prices can have a ripple effect on the cost of other goods and services as well. For families that like to take road trips, pay attention. Here are 7 tips that can help keep costs under control:



- 1) **Don't forget to pack a lunch:** It's always nice to take a break from driving, stretch, and eat a hot meal, but try stocking up on a few staples like dry cereal, granola bars, and fruit. Stock a cooler with juices and lunch meat, and make sandwiches to cut back on cost.
- 2) **Make a decision to SHARE meals:** Rather than buying each child their own dish from the kids menu, order a regular entrée and have the kids split it. Not only will you have a few full bellies, but you will save some cash.
- 3) **What's the deal with hotel discounts?:**
- 4) **Try Camping:** Are you an outdoorsy person? Try camping for a few nights. You can pack up stoves and sleeping bags, etc. Even if you camp 2 nights, that's a savings of approximately \$100.
- 5) **Take advantage of truck stops:** If you decided to camp the night before and you need a fresh shower to get your day started, use a truck stop. Even though you're not a trucker, if they'll let you take advantage of it, you can take a shower, brush your teeth, and even shave for about \$5.
- 6) **Stick to somewhere local and inexpensive:** You can have a lot of fun without traveling very far. Try a weekend road trip across the state or around the region. Save on gas and hotels by keeping it



short and close to home. If you've got your heart set on a cross-country trip, wait and save

for it so you can pay with cash rather going into debt

- 7) **Don't judge a room by its exterior:** Seeing is believing, and often times you don't know what you get until you actually arrive. You don't want to pay good money for a room that is substandard. Ask to see your hotel room prior to paying. Just because the hotel looks beautiful outside, doesn't mean the room is. Hotels spend most of their money making the lobby and exterior look nice, but when you enter your room, it's a different story. Don't be fooled, and take a peek inside.



Going on a family road trip can be cost effective, **IF** you know what to do and what to look for.

Please Note: We Need Your New Balances

Have you spoken to us recently about your account balances?

Due to the way creditors apply payments and calculate new balances, we cannot track your current monthly account balances with 100% accuracy. And

because we don't receive statements from your creditors, we rely on you to periodically contact us and reconcile those numbers. This is more important than you might think. If our system believes a creditor is paid in full before they actually are, it will stop sending pay-

ments to that creditor, which can result in unnecessary fees and problems. If you haven't updated your balances with us recently—especially if you have accounts that are close to being paid off—please contact our Client Services department at 800-460-8641.

Check Us Out Online! www.YourGFM.com