

# MONEY SENSE

**Genesis**  
FINANCIAL MANAGEMENT INC.

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## NEW BEGINNINGS, DEBT FREE

### Coming Up With Cash When Times Are Tough

We've offered many suggestions in recent months for ways to save money and reduce expenses in order to survive in this current economy. If you've already done all of the above, however and are still struggling to make ends meet, there are a few "options of last resort" you might consider. Just beware the potential costs.

1) **Peer-to-Peer Lending**— families and friends have been loaning money to each other for eons. Now there are ways to formalize the process, though, so that all parties clearly understand their responsibilities. Online sites like [virginmoney.com](http://virginmoney.com) and [lending-club.com](http://lending-club.com) facilitate loans between friends, family and even strangers who agree to underwrite your needs in exchange for earning some interest on their investment. These sites will help you set up a formal loan agreement and service the loan— linking borrowers and would-be lenders in a mutually agreeable relationship. Fees for these services can vary, and these loans are serious business. Lenders will very likely report late or missed payments to credit bureaus just as they would with any traditional loan. Some sites

cater to individuals with good credit while others offer help to those whose credit may not be so great. Students seeking loans for school may want to check out [greennote.com](http://greennote.com)

2) **Reverse Mortgages**— If you're at least 62 and own your home (or have substantial equity in it) you may be able to tap that equity by obtaining a reverse mortgage. In this case, rather than making monthly payments to the lender on the loan, the lender makes monthly (or lump sum) payments to you, and the loan does not come due until you pass on, sell the property or move away. The amount you can borrow depends on your home's value and location, current interest rates and, if there are co-borrowers, the age of the youngest one. There can be significant upfront fees associated with these loans, and the amount you receive will be based on a percentage of your home's equity. In addition, if you intend to leave the home to your children, they will become responsible for repaying the debt. For more information see [hud.gov](http://hud.gov). or [aarp.org](http://aarp.org)

### Dollar \$aver\$:

#### Save Before Noon

**Gas Up**— you'll generally find the cheapest gas before noon. Big gas retailers usually set prices around 10 or 11 AM. In addition, buying gas in the morning, when it's cooler, gets you slightly more fuel because gas has more density than when it's warmer.

**See a Movie**— some large theater chains offer discounts on tickets for movies that screen before twelve.

**Get a Haircut**— some hair salons and barber shops offer early bird specials to customers willing to come in for a clip before 11 AM

**Go Shopping**— save on the things you need by taking advantage of stores' "early bird" or "doorbuster" specials in the morning hours. Some even reserve their drastic clearance sales —75% off or more— exclusively for morning.

**Stop by the Bakery**— visit your local bakery as soon as it opens and see what goods from the previous day are selling for half or even two-thirds off. They'll be perfectly fresh— just less expensive!

### Payment Address

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**It's TAX TIME!** Remember that Genesis may be able to help you prepare and file your taxes for FREE if you live in the Tampa area. If not, visit [IRS.gov](http://IRS.gov) to find free tax sites near you or to tax advantage of their "Free-File" online filing options.



### Aids for Job Seekers

If, like so many these days, the economy has you looking for a new job – or perhaps a second job to help pay the bills– the following web sites may be of help:

**Profiler.com**– This site uses the reputable Campbell Interest and Skills Survey, a 320 question multiple choice test– to help pinpoint occupations that would be a good fit for your talents and passions. The cost is \$18.

**Job-hunt.org**– tips and advice for job seekers. Links to 11,000+ employers and job resources.

**Quintcareers.com**– this award-winning site includes “best of” job site compilations and links, tutorials and advice for everyone from students to career-changers.

It's a buyer's market! And now the IRS is adding an extra incentive for first-time homeowners who bought in 2008 or 2009.

### Genesis Financial Management

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## KidsWealth® Disguises Learning As Fun



We've weighed in before on the subject of teaching money skills to children. Kids that learn to value money and develop smart spending and savings habits from an early age are much less likely to get into trouble with credit or debt later in life. One of the most valuable gifts you can give your kids is the knowledge that will empower them to make sound financial choices. And we're pleased to offer a new tool

that can help you do that in a way that will actually get them excited about it.

We have partnered with Kidswealth.com to present the KidsWealth® Money Kit. This toolbox, developed over a period of several years by parents, educators and financial experts and designed for kids ages 4-12, takes a hands-on approach to learning by having your kids set up and maintain their own money management system. It takes about 30 minutes to set up and only about 15 minutes to manage each

month thereafter– low stress, high rewards!

KidsWealth® is designed to teach kids about spending, saving, giving and– in general– managing their resources responsibly and successfully.

The kit comes with everything you need and, if you order it through our website, you'll also receive a 10% discount. Visit [yourgfm.com](http://yourgfm.com) and link to the “E-Learning” page where you'll find a special link to the KidsWealth® site.

## Two Tax Credits Help Homebuyers

If you were a first-time homebuyer in 2008 or are planning to become one in 2009, you need to know about two tax credits that you might benefit from.

As part of the Housing and Economic Recovery Act of 2008, congress included a credit for first-time buyers who purchase a home between April 8, 2008 and July 1, 2009. Qualified filers can claim up to \$7500 worth of credit on their 2008 or 2009 tax

return. This credit is essentially an interest-free loan that must be repaid, beginning in the second year after claiming it, over a 15-year period. For example, if you took the full \$7500 credit, you would pay back \$500 per year over the course of 15 years by reporting it as an additional tax on your federal returns.

The second tax credit, created just recently under the American Recovery and Reinvestment Act of 2009,

can be claimed by qualifying first-time buyers who purchase a home anytime before Dec. 1, 2009. Filers can receive up to \$8,000 on either their 2008 or 2009 return. Unlike the other credit, this one is not a loan. It does not have to be repaid provided the home purchased remains the owner's primary residence for at least 36 months after closing. Visit [www.irs.gov](http://www.irs.gov) for full details on both credits and how to claim them.

### Please Note: Contributions Not Tax Deductible

We erred in some advice we gave in our January column and need to offer the following correction:

The monthly contributions you make to Genesis as part of your Debt Management Plan are **NOT** tax deductible, per a recent IRS ruling. While Genesis is a 501 (c ) (3) nonprofit, the contributions you make are

considered to be for services rendered and not as charitable donations. The only tax deductible contributions allowed to a Debt Management Company such as Genesis are contributions made directly to the educational mission of that organization.

Genesis has a very active financial literacy program

and engages in extensive outreach and educational efforts. If you wish, donations can be made to these efforts separate and apart from your regular monthly contribution.

Please contact us with any questions. We apologize for any confusion.

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