



### Planning Ahead

Happy New Year. May your year be filled with happiness, good health and **FREE AND ACCURATE TAX PREPARATION!**

To save the \$60 to \$300 it would cost to have your taxes done, plan now to call one of the many VITA (Volunteer Income Tax Assistance) sites in the Grand Rapids area when they begin to take appointments on Jan. 7<sup>th</sup>. Appointments are made on a first-come, first served basis, so don't delay. To get the number of the VITA site closest to you, call 211. (459-2255 if using a cell phone).

To qualify your income must be less than approx. \$23,000/yr. for singles and families w/o children or less than approx. \$39,000/yr for families with children.

### Did You Know?

You may qualify for several credits on your income tax returns that could mean big dollars for you. For example, if you worked at all during 2007 and made less than approx. \$39,000, you could be eligible to receive the Earned Income Credit which could result in a payment to you of between \$1000 and \$4500.



Don't be one of the many people who are entitled to this money but never receive it. Make sure to ask your tax preparer to check on all available credits for you. Or better yet, have your taxes prepared for FREE at a VITA site (See "Planning Ahead" above) as all VITA preparers are trained to check for these credits.

### The Saving Center

#### 10 Ways to Save Money on Clothing—and Still Look Good

- Don't buy clothes just because they're on sale. Ask yourself if you really need them.
- Buy clothing at the end of the season when prices are marked down.
- Buy secondhand (garage sales, Goodwill outlets etc.), especially children's and maternity clothes which won't be worn long.
- Stick with clothes that will stay in style. Avoid fads.
- Avoid recreational shopping. Go clothes shopping only when you really need something.
- Wear clothes until they are worn out.
- Work with what you have. Look for easy to match colors and clothing that works with your existing wardrobe.
- Instead of buying a whole new outfit consider new accessories. Scarves, ties, and jewelry can spruce up a wardrobe without costing a fortune.
- Look for clothes made of all season medium-weight fabrics so you can wear them all year.



- Remember—heavily advertised brands cost more.

### Ask the Money Man

**Q.** *With my limited income, it's always a struggle to save. Can you give me any ideas that might help?*

**A.** Your desire to save suggests that you understand just how important saving is. Good for you. We all need to have some money saved or we're going to have money problems... guaranteed! But wanting to save and successfully doing it are two separate things, especially when money is tight. Here are some things that can help:

**Find out where your money is going.** Many of us think we can't save because there's no money left and there's still a few days to pay day. What we need to ask ourselves is where did our money go? By keeping track of where you spend your money for a week or perhaps a month, you'll find many expenses that you could cut back on if you wanted to and use the money to save instead. For example, five pops a week from a vending machine at work costs about \$5. That's \$20 for the month. Give up the pop or perhaps buy the pop at a store and bring it to work, and you'll be able to save an extra \$10 to \$20 a month.

**Save before spending.** Instead of spending first and saving what's leftover...if anything, save before you start to spend. In my business we call this "Paying Yourself First" and it's not only a great way to save but it also recognizes how important saving is for you.

**Would you like to be smarter about money? Would you like to worry less about it? Would you like to get more of the things you really need and want? Then this course is for you!**

**What:** “Dollar Sense”— A Non-judgemental and Fun (really) Money Management Course, consisting of 5, 2 hour classes.

**When:** “Dollar Sense” is offered several times during the year. The next course will begin on Wednesday, March 5, 2008 and run for 5 consecutive Wednesday evenings from 6:30 to 8:30 p.m.

**Cost:** Only \$5 for the entire course.

**Where:** MSU/Kent County Extension Office  
775 Ball Ave. NE, Grand Rapids, MI 49503



**What “Dollar Sense” Students Have Said:**

“Honestly, I thought this class would be boring and unhelpful, but I was very wrong—it was awesome!” —Keisha—

“Will help me get the things I want for my children and myself.” —Tammy—

**Call Dave Treul at 336-3212 with questions or to register. Pre-registration is required.**

***Come join us and make the most of your money!***

*Accommodations for persons with disabilities may be requested by calling Dave Treul at 336-3265 five days prior to ensure sufficient time to make arrangements. Requests received after this date will be met when possible.*

Bus Line #14

## **Want Your Kids to Grow Up to be Good Money Managers? Then, “Show Them The Money”!**

Sure, kids learn by observing. But kids also learn by experience and when it comes to money there’s no better experience than handling their own money while still at home and before the mistakes can hurt so much.

For that reason, give your kids an age appropriate allowance as soon as they begin to see money as important. It’s also important to give it to them without any requirements that they do certain chores or get A’s in school. By conditioning the allowance on the doing of some act(s), you will be making the valuable learning that comes with an allowance conditional as well.

Not attaching strings to the allowance does not mean that there are no ground rules however. On the contrary, you should spell out how much will be given and when and what expenses they are expected to pay from it. Both the amount of the allowance and the expected expenses to be covered should increase as they get older (that’s what I mean by age-appropriate). How ‘bout giving a teenager a clothing allowance for example. Let them make the choices. Relieve yourself of having to say no to the expensive tennis shoes.

Finally, it’s important that you allow them to make mistakes (buying the expensive tennis shoes). Don’t rescue them. This is how they learn...and that’s what’s really important.

## **Credit Corner**

### **Setting the Record Straight— The Truth About Bad Credit Reports**



When it comes to credit, many people believe things that just aren’t true. For example, many people believe that a bad credit report will permanently hurt their ability to get a loan at a reasonable rate of interest. In fact, the truth is quite different.

A credit report reflects your credit history at one point in time. It’s a snapshot of your credit risk at that moment. It changes over time as new information is added to your credit bureau file and reflects changes in the way you handle your credit accounts. For example, if you pay-off a past due account, your credit score will increase as will your ability to get credit at a reasonable interest rate in the future.

No matter how bad it currently is, your credit report and credit score can be improved. Many people have done it, and so can you. Start by taking advantage of the free credit reports now available to you at [annualcreditreport.com](http://annualcreditreport.com) or by calling (877) 322-8228.

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Dave Treul  
Money Management Educator  
MSU Kent County Extension  
775 Ball Ave. NE, Grand Rapids, MI 49503  
Office: (616) 336-3212 Fax: (616) 336-3836  
email: [treuld@msu.edu](mailto:treuld@msu.edu)

