



Planning Ahead

What would you do if you suddenly received a large sum of money? Would you spend it and if so, what would you spend it on? Would you save it? Or would you spend some and save the rest?

For many of us these are important questions to be asking right now because we'll soon be receiving a large sum of money, namely our income tax refund.

Without any planning, the mere size and sudden appearance of a refund check may tempt us to spend the money on things we may later regret. So plan now, before the check comes, and as you do, consider the following: saving the money for upcoming non-monthly expenses such as car repairs, clothes and car insurance; saving the money for a "rainy day"; paying off past due debt; paying down credit card balances; spending the money on preventative maintenance; and/or saving for your retirement or your children's education.

Did You Know?

If you qualify for the Earned Income Credit (EIC) on your 2006 tax return and you have at least one qualifying child, you can choose to receive a part of next year's EIC in your paychecks throughout the year instead of in a lump sum at tax time. If you're interested, ask your employer for Form W-5 (EIC Advance Payment Certificate).



The Saving Center

Saying "I Love You" Without Breaking the Bank



It's February and that means Valentine's Day. Ads on TV, radio, and the newspaper will encourage you to buy Valentine's gifts for family and

friends. When faced with these temptations to buy, it is important to remember that you don't need to spend money to show that you appreciate someone. There are a lot of wonderful ways to say "I love you" without spending even one dollar. Here's a list of some "gifts from the heart"—and not from the wallet:

- Make a list of family members and close friends. Write five things that you really appreciate about each of them. Write a note to each person on your list and tell them what you wrote.
- Tuck a Valentine's Day greeting in that special someone's lunch bag, purse, car or another place they'll be surprised to find it.
- Give the people you care about a gift of your time. Make and give them gift certificates that are good for your help with a chore, breakfast in bed, time for playing a favorite game or whatever you know they'll like.

Ask the Money Man



Q. Are Extended Warranties worth the money?

A. Extended warranties do what their name suggests. They lengthen the warranty coverage provided by the manufacturer of the product you're buying. Terms governing extended warranties vary considerably and should be considered carefully but typically they add from one to three years of protection and often do not cover normal wear and tear and accidents.

Although there are some products for which paying for a reasonably priced extended warranty may make sense given the likelihood of and high cost of repairs, for the most part extended warranties rarely benefit the consumer and are simply not worth the cost. In fact, in the vast majority of cases extended warranties are never used.

For this and other reasons, Consumer Reports almost never recommends buying an extended warranty, especially on cars. Therefore, the next time a salesperson asks, "Would you like to purchase our extended warranty?" think twice before saying "yes" or you may be wasting your money.

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, Feb. 28, 2007 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 #15

When Just Saying “No” Can Save You a Bundle

You’ve just had your taxes prepared and will be getting a sizeable refund. You’d like the money now (who wouldn’t). You may even need the money to pay your tax preparer.

Your tax preparer offers a solution. You can get a RAL (Refund Anticipation Loan). By doing so you’ll get your refund immediately and the \$50 loan fee can be taken out of your refund along with the tax preparer’s fee of \$80.

It’s easy to say “Yes” to this offer. But there’s a better way, a smarter way, that will leave you with more money.

Let’s say you’re expecting a refund of \$750. If you agree to the RAL at a cost of \$50 your interest rate will be around 200%! And once the tax preparer’s fees are deducted, you will end up with only \$620 of your \$750 refund. Wouldn’t you rather have \$750? Of course, and here’s how.

Start by having your taxes prepared at a VITA (Volunteer Income Tax Assistance) site. They accurately prepare your taxes for free on an appointment basis (Savings to you=\$80preparation fee). Call 211 to get the number of the VITA office closest to you.

Finally, by saying “No” to the RAL (Savings to you=\$50) and using electronic filing and/or direct deposit, you’ll soon receive your entire refund of \$750...a cool \$130 more than you’ve have if you hadn’t just said “No”.

Credit Corner

Settling Debts



Creditors including all collection agencies are usually willing to settle unsecured debts that have been past due for some time (with the exception of government insured student loans) for less than the full balance. The typical settlement range is anywhere from 35 to 65% of the balance owed.

When settling a debt it’s always best to pay with a personal check. This will provide you with proof of payment. It is also wise to get the terms of your settlement in writing prior to making payment. Make sure that the creditor states in writing that they will consider the balance paid in full upon receipt of your payment. Finally, ask the creditor for a statement showing a \$0 balance once you’ve made your payment.

After settling a debt, make sure to get a copy of your credit report and make sure that the debt is now being reported as “paid in full” or “settled” and shows a \$0 balance. If not, provide the credit bureau with the written terms of the settlement and your proof of payment and ask them to correct it.

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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