



“Cents” Able Dollars Newsletter

August 2011

In This issue.....Cost Reduction..... Case Study(New Feature).....Summer Fun

Doing More With Less

Increasing Disposable Income through Cost Reduction:

There are many cost savings techniques we can use to make our hard earned dollar “stretch” which we all are capable of practicing. We may not be able to practice all the techniques all at once but if we plan appropriately we can implement a course of action to reduce debt and expenditure cost and increase our available disposable income, so at least we can satisfy more of those unlimited wants and needs. **INSURANCE:** Shop around each year before renewing your Home and Car insurance. Insurance Brokers are good at finding deals where you can benefit from cost savings. Reassess your need for whole life insurance coverage e.g. if your children are on their own, your spouse is working and the mortgage is almost completed, you may not need as much life insurance coverage.

DEBT MANAGEMENT: Avoid falling into the dreaded “debt trap” because once in, it can prove extremely difficult to get out. Firstly, we should all have a structured budget in place which is used from month to month to clearly identify our income and expenses. The budget will highlight what areas we may be over spending such as that weekly lime, and also what areas we can allocate more money towards such as the rising credit card bill. Making minimum payments to your credit card is the surest way to fall into, and stay in that debt trap. Credit cards are designed to keep you in debt with their attractive minimum payments and the occasional, ever so timely offer to skip a payment, not to mention the surprise increase in your credit limit you have been “rewarded” with for being a “good” customer. Skip a payment, and interest is added to the balance at a rate between 21% to 22.5%. Credit Card debt is some of the highest cost debt that is available, but because of its convenience it is likely to be abused. Where possible we should pay off credit card debt, if not all at once then at least a lump sum should be placed towards part payment of this debt. Pay more than the minimum requirement and this can accelerate the payoff and reduce the amount of interest paid.



OUCH! Don't let the IRS take any more than they have to.

Case Study: The Names have Changed..... :

Mr. Bill has a \$100,000 IRA account and just turned 70 $\frac{1}{2}$. You know what that means - RMD. That's right, he must take income out of the IRA. I ask Mr. Bill, Do you need the income? He replied, "No, that's my kids inheritance. Oh by the way, an IRA inherited can be eroded 50 to 70% by income and estate taxes. Ouch, not much left for the kids. Plan A - Mr. Bill still received his income but the IRA account continued to enjoy growth for the kids to inherit a larger amount and there is also a way to not erode the account with estate and income taxes.

Birthday Gifts for Kids. If your child's birthday falls in the month of August. Stop by our York Road office for a free gift.



Wiggle Your Toes Day--August 6:

When : August 6th

Wiggle Your Toes Day encourages you to give your little piggy toes some exercise.

Those ten extremities at the ends of your feet, are crying out for a little freedom. Cramped up inside a pair of shoes or sneakers all day long, your stinky toes just don't get the chance to move about freely, as they would like to do. Celebrate *Wiggle Your Toes Day* by airing out your toes, and wiggling them around for all to see. The best place to wiggle your toes on a hot August day, is in the pool. Or, sit on a dock and stick your wiggly little toes in the water. **Did you Know?** Not all toes are alike. Like people, toes come in all shapes and sizes. There is a small percentage of the population who have two or more toes partially joined together....web like toes!

Did you know?... Lou Gehrig earned a total of \$316,000 during his 17 year career with the New York Yankees. In 1992, a fan paid \$363,000 for a Yankee jersey that Gehrig wore during the 1927 season. ...The average American eats around 5 1/2 gallons of ice cream a year. July is the National Ice Cream month because it is the month the most ice cream is sold... Mosquitoes have been around for 30 million years. They can detect mammals from 100 feet away especially warm-blooded creatures (that's why they love human!!) And they have visual sensors that detect movement and contrast in colors....A cricket's chirp frequency fluctuates with temperature. Count the number of times a cricket chirps in 15 seconds, then add 37 to whatever number you reach and you have an approximate outside temperature (in Fahrenheit)!Popsicle was invented by accident by an 11-year-old boy named Frank Epperson in 1905. He accidentally left a mixture of powdered soda and water, with a stirring stick, on his porch, and awoke the next morning to find a frozen pop! Cherry flavor popsicle is the number one favorite flavor.....Watermelon is actually a vegetable, not a fruit! It is most closely related to cucumbers, pumpkins and squash. The watermelon is composed of 92% water and early explorers often used hollowed out watermelons as canteens.

Quote of the Month!

Ralph Waldo Emerson: [Do not go where the path may lead, go instead where there is no path and leave a trail.](#)



Summer Traditions

Around the World

Midsummer Day

The sun continues to shine long after midnight in Scandinavia when Midsummer Day is celebrated in late June. To celebrate, Swedish villagers decorate a spruce trunk — called a najstang — like a maypole. In Norway, families light bonfires along the fjords.

Arapaho Sun Dance

A religious festival centering on the sun dance takes place during summer in Wyoming. Cheyenne, Arapaho, Shoshone, and members of other Plains Indians tribes dance around a pole topped by a buffalo's head. The buffalo is a symbol of plenty, and dancers wish for good fortune in the year ahead.



Comic Strip:

Future Events



- Chrest Client Appreciation Picnic
- Java Chats
- Free Fridays
- Seminars
- Wine Tasting Event
- Financial Coaching
- Tax Coach BootCamp

Question of the month: Q: One million tons of oil is equivalent to about how many kilowatt hours of electricity? Winner of drawing will win a gift certificate to a local restaurant worth \$50.00.

Service of the month: Insure your Future with Income. Inquire today!.

Look on line for our calendar of events.



Tired of Paying Taxes?

Of course you are!

Give our new Tax Coach Tax Planning Services a chance. We offer a satisfaction money-back guarantee. Find out your tax savings before you invest a cent.

1511 York road Lutherville, Md 21093
410-825-5120



Lots of things happening - look here!

Inside:

Wiggle your toes!!

Case Study to learn from.

Tax Planning - Cost side of accounting.

Tax Coach

Trivia

Website of the month: http://www.pgparcs.com/Things_To_Do/Nature/Dinosaur_Park.htm

Win a \$50.00 Gift Certificate

Find the Smiley 😊 Face and win a prize - first one to respond only.



July to October 2011 Calendar of events:

July 24th - Parents Day.

August 7th - Friendship Day.

September 5th - Labor Day!

September 15th - 3rd 2011 Estimated Tax is due. Reduce penalties if you owe by making an estimated payment.

September 11th - GrandParents Day.

October 6th - Boss' Day!!

**YOUR Client
Rewards Program**

- ❖ Referral-A-Friend. We keep our fees reasonable because we consistently receive referrals from clients like **YOU**. Keep spreading the *good word*! **Receive YOUR reward.** No limitations.