

# FAIR EXCHANGE



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*Greetings!* It is that time of year again (boy, the summer goes fast!) when all are busy with back to school preparations, fall sports, activities and leisure too. How about you? What is in your supply of “know how” for money management? This edition of our newsletter has smart money management information for anyone at any age— folks with children or grandchildren or nieces or nephews. Be wise and talk to your accountant if you have any questions at all. We are here for you! **Don't miss out on our new game either, see the back for details.**

## TEACHING YOUNG FOLKS ABOUT MONEY

As you begin to teach a child about money overall, there are 4 key areas in which to concentrate. They are Savings, Allowance, Investing and Putting it all into Practice.

**Savings**— Children as young as 2 or 3 should be encouraged to save money at home in a piggy bank. Once they save a proper amount for a small purchase, allow them to spend some of their money on something they want. Helping children at a young age to recognize that you must pay for things is a good lesson. Children of 5 or 6 are ready to open their own

savings account. Let the child actually go to the bank and make deposits (this may be an old habit forgotten with the onset of ATMs and direct deposit, but a good one for a child to witness to explain what interest is).

**Allowance**— Young children in first grade are great candidates for receiving an allowance. Frequency is up to you. However, the most important aspect is that the amount and distribution are consistent so the child can build spending habits and plan out when to make

a purchase. Try hard not to control what your child spends his / her allowance on. Part of the lesson is how to use the freedom to spend well. There will be some not-so-wise purchases and they will learn. Their self-esteem will also emerge from making spending decisions.

(con't on page 3)

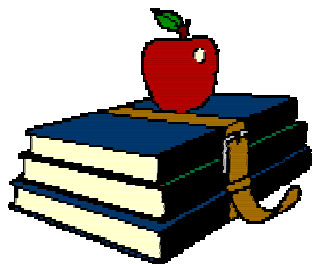


## ENCOURAGING WORDS AND NUMBERS

As your child emerges from college, degree in hand, and lands a nice paying job, encourage him / her to participate in a 401K or any other

employee savings plan as soon as they are eligible. It is such an irresistible deal one simply cannot pass on, especially when many

companies offer dollar match programs. Even without a dollar match incentive program, make sure your young adult knows (con't p2)



According to the U.S. Census Bureau, college graduates earn an average of \$59,683 per year, while high school graduates earn an average of \$32,906. That is an **81%** salary difference - clear proof of the lifelong value of a college education.

**Call Taylor & Beam CPA's** for your Investment Check up! It is as important as your annual physical or your car maintenance!

**\*\*NEWS NEWS NEWS\*\***

We have a new enhancement to our vast insurance offerings! **Vinny Blazewicz**, Registered Financial Consultant, is working with us to offer his expertise in Life, Disability and Long Term Care insurance. Call to set up an appt. with Vinny today!



## AN APPLE FOR THE TEACHER...

### Apple Trivia—How will you do on this POP quiz?

- Q1: According to the Dole Food Company, Americans eat an average of \_\_\_\_\_ pounds of fresh apples every year.
- Q2: Currently there are \_\_\_\_\_ varieties of apple being grown worldwide; thanks to science and the study of genetics, new apple varieties are created all the time. Only a small handful make it to your supermarket.
- Q3: There are \_\_\_ grams of fiber in a medium sized apple. Hint: it is 20% of the recommended daily allowance.
- Q4: An average apple contains \_\_\_ seeds.
- Q5: Apples are picked by hand between the months of \_\_\_\_\_ and \_\_\_\_\_. It's the advanced storage technology that keeps them fresh and available year-round.

## DID YOU KNOW...

<p>If you put away \$100 a month in a 529 College Savings Account beginning when your child is 3 years old, you could have \$31,880 by the time the child is 18?</p>	<p>This assumes a 7% annual rate of return. Sign up for one today at Taylor &amp; Beam, CPAs P.C. Imagine if you start even earlier or save more than \$100 a month!</p>	<p>The best thing to do is to get on an automatic schedule where money periodically gets drawn from your designated bank account. No more excuses! Watch the savings build.■</p>
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### Grandparents can sign up too!

## ENCOURAGING WORDS CON'T...

(*con't from p1*) these figures. If \$250 of the monthly paycheck is put into a retirement account at age 25 that will grow to \$660,031 by the time he / she reaches 65. This is so important to stop and realize especially since many companies today do not offer traditional pension plans. If their company does not offer a plan or they do not want to wait for the eligibility period to come about, recommend that they get with us and open their own retirement savings account with monthly automatic contributions. Start them right away doing something very valuable with their new hard – earned paycheck! Teach them to pay themselves first along with all the other bills. Smart money management can be achieved at any age!■

# YOUNG FOLKS ABOUT MONEY...

(CON'T FROM PAGE 1)

**Investing**— As early as middle school age, a child is ready to explore company ownership. They might have a favorite company in mind already. You can help them research the stock prices, product quality, taste etc. Maybe they want part ownership in Target, McDonalds, Taco Bell or their

favorite clothing store. Encourage them to track the stock in the newspaper. Even one share of stock provides the learning experience that counts.

**Practice**—This may come from your due diligence as well. Encourage them with selling lemonade, mowing lawns, making salad dressing or greeting

cards. Assist them with keeping good records. It is not possible to teach money management by just telling. Let them experience it, live it! Carve out special time to talk about money, perhaps while you dine at their favorite restaurant. Money management is a gift you can give them that will last a lifetime.■



Source: Peggy Houser, author of [How to Teach Children About Money](#).

## 529 Q & A:

**Q:** What is the main benefit of a 529 College Savings account over an UGTMA (Universal Gift to Minors Act) account?

**A:** The assets under a 529 College Savings Plan account are under your control so you decide how and when the money will be spent. In fact, the assets in your account can be used to cover college expenses for your children, yourself, your spouse, nieces, nephews and grandchildren.

If someone in your family is looking for a way to transfer money to a younger generation, a 529 is a good method to accomplish this goal. There are high maximum contribution limits and many tax benefits.

**A UGTMA account becomes the child's asset at age 18 and they can do anything they want with it at that time.**

**Recently 529s just got more appealing as President Bush signed into law some new enhanced features. Visit Taylor & Beam for beginning your 529 path to higher education!■**

A study of 1,065 older teens found that 21% of 18- and 19-year-olds have credit cards. Teach them early how to manage their money and credit.

## 10 TIPS FOR MONEY MANAGEMENT

These money management skills are a good recap for anyone at any age.

1. Money spent must never exceed the income available.
2. Save a part of all the money you receive.
3. Put your money to work earning interest.
4. Avoid borrowing because interest charges must be added to the original cost of the item.
5. (Very Important) Learn to distinguish between needs and wants.
6. Set investment goals early & re-evaluate.
7. Create a spending plan as a guide.
8. Research price and quality before making a purchase.
9. Buy quality, not quantity.
10. Reduce service charges and commissions when possible.

Brush up on your habits!■

### OOPS!

There is a *typo* somewhere in this newsletter. Be the first to find it and

\*\*\*\*\*  
 You will win  
**\$\$ 10.00 \$\$**  
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Call us @  
**(973) 239 -5140**



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Label Here



## OFFICE BUZZ



# Care Enough To Share

We are excited and appreciative of the support that we receive from our clients. We value the trust and loyalty that you have shown us over the years. We would like to express our appreciation by incorporating a new office referral program called the “Care Enough To Share Program.”

### Here’s how it works.

Place your name on the bottom of the card before giving it away. The recipient of the card should bring it to their first visit to receive 15% off of their initial tax service or initial Company Accounting Service Fees. They can also receive a free budget or

initial investment consultation. In appreciation for your referral you will receive 10% off your next (one-time) service, upon payment of their first invoice. You may request additional referral cards at any time from our office.

In addition, we will be having a drawing in **mid December of 2006 for a \$400.00 AMEX gift card!** Your name will be placed into a drawing one time for each referral. You can be entered multiple times. If you have any questions please let us know and have fun with this! Listed here is a brief recap of the services we provide:

**Financial Planning** (Pensions, 401K Rollovers, 529 College A/Cs)  
**Insurance** (Health, Disability, Long Term Care)

**QuickBooks** (Set up & Training)

**Tax Planning** (Personal and Corporate, Tax Notice, Estates and Trusts)

**Mortgages** (Refinance, New Purchase and Home Equity).

### Answers to Apple Trivia

A1: Eighteen

A2: 7,500

A3: 5

A4: 5 usually, one in each pocket.

A5: August thru November