



February / March 2010

A tax refund is always a welcome bonus. Whether it's \$500 or \$5,000, the way you use your refund can have a real impact on your personal and financial well-being. New computer? New recliner? Beach vacation? These are all great ideas, but...Before you spend your refund, be sure to think through all the options – even ones that aren't especially glamorous.

Follow Three General Rules

- DO plan ahead before spending your refund. Without a plan, you may use the money on the first thing that comes to mind, then realize later on that something else was more important. Planning ahead, and involving the family, increases the chances you will identify all the possibilities, and identify those that are most important.
- DO devote a portion of your tax refund to build financial security. Having a savings account that helps buffer you from whatever life throws at you (e.g., job layoff, car repair, higher utility bills) will reduce stress and help you manage day-to-day living.
- DON'T throw away part of your refund a rapid refund loan. Tax preparation companies that offer "rapid refund" services are actually giving you a high-interest, short-term loan (typical interest rates are over 50%!). You should be able to get your taxes done for free (see our previous newsletter) and with efilng and providing a bank account routing number you should have your money within 1-1/2 to 2 weeks.

Instead

1. Make (or catch up on) regular mortgage payments. Many people are juggling a variety of debt, but your first priority is to keep/get your mortgage current, before paying other bills. Falling behind on your mortgage payment puts your house at risk, which in turn makes other expenses and purchases irrelevant.
2. Pay off bills. Your second priority is to keep/get your bills related to day-to-day living and employment current. Basic utilities and car payments/insurance (if your car is used for work) are the most critical. Then, if you have credit card debt you should try to pay more than the minimum payment, especially on the accounts with the highest-interest rates.

3. Tackle much needed house and car repairs/servicing. If you've been putting off house repairs (e.g., fixing rotted wood, repairing a leaky roof) or car maintenance (e.g., getting mileage-based servicing, purchasing new tires) these should be done. Using your tax refund to maintain these expensive possessions will save you extensive repair expenses in the future.

4. Create an Emergency Fund. Having \$500 to \$1,000 (or more) sitting in a savings account will get you through emergencies (or unplanned expenses) that happen to all of us. Once you start a fund you'll want to replenish it if/when used, but this can help keep you afloat. Consider saving even more – up to 3 to 6 months of your usual income – if you want additional security from a job loss or layoff.

5. Evaluate spending on Special Purchases. What about a new refrigerator? Or sofa? Or TV? Be sure to think about what your family needs and what your family wants. After you have taken care of your needs and savings then any extra refund dollars can go towards activities or purchases that add enjoyment.

Information to Know: Using W-4 & W-5 forms

Do you find yourself in a yearly cycle of not enough take home pay in each paycheck, yet each year you get a huge tax refund? And, the resulting cycle of not paying monthly bills on time (which creates stress and hurts your credit) then catching up your bills each February using your tax refund? You can get out of this vicious cycle and save on late fees, finance charges and penalties. To get more take-home pay in each paycheck throughout the year – and – reduce (but not eliminate!) the size of your once-a-year refund here's what you can do:

W-4: Change the number of withholding allowances

If you have a large refund, you may be claiming too few allowances. The number of allowances claimed does not typically equal the number of people in your family – usually a larger number is more appropriate. The IRS (and most Human Resources departments) provides a worksheet (and certificate) for you to compute the number of allowances that match your current life situation: <http://www.irs.gov/pub/irs-pdf/fw4.pdf?portlet=3>

W-5: File an Earned Income Credit Advance Payment Certificate

If you receive a large tax refund because of Earned Income Credit (EIC) monies, you will want to consider filing a W-5 certificate with your employer. Every year, usually in January, you will need to file a certificate for that tax year. This certificate allows you to receive some, but not all, of your EIC refundable tax credit in your paycheck. For 2010, your employer can only give you up to \$1,830 of the EIC in your paycheck – the rest will be paid to you when you file your taxes. The IRS (and most Human Resources departments) provides a checklist (and certificate) for you to determine if you qualify for the EIC and the Advanced EIC: <http://www.irs.gov/pub/irs-pdf/fw5.pdf>

Raleigh's "Recycle and Win!" Program continues in 2010

Raleigh's "Recycle and Win!" program goes through April 30, 2010. Each week, Solid Waste Services employees check green recycling bins in Raleigh neighborhoods and select ten winners to receive \$50 Harris Teeter gift cards for recycling correctly. Other sponsors include Coca-Cola and NC Department of Environment and Natural Resources. Follow this link for details:

http://www.raleighnc.gov/portal/server.pt/gateway/PTARGS_0_2_306_202_0_43/http%3B/pt03/DIG_Web_Content/category/Resident/Garbage_and_Recycling/Recycling/Cat-2CA-20091019-105932-Recycle_and_Win_.html

Here are a few tips to improve your chances of being rewarded for recycling:

- Place the red-and-white "Give It Back" sticker on your green bin. If you did not receive a sticker, or need a replacement, call Solid Waste Services at 996-6890.

- If you have multiple containers, at least one must have a “Give It Back” sticker. This lets the City of Raleigh know that you’re participating, and don’t mind having your bin(s) inspected by the Prize Patrol team.
- Remove newspapers from their plastic delivery bags, and do not use plastic bags to hold recyclable materials.
- Grocery and dry-cleaning bags may be recycled at most grocery stores.

DO NOT put pizza boxes, yogurt cups or Styrofoam in your bin! Remember, plastic food containers such as deli trays and takeout boxes are not recyclable in Raleigh. Recycle only the materials listed on the insert that came with your sticker.

- If you have questions about what can be recycled, call Solid Waste Services or visit http://www.raleighnc.gov/portal/server.pt/gateway/PTARGS_0_2_306_204_0_43/http%3B/pt03/DIG_Web_Content/dept/public/Dept-AboutUs-SolidWstSvcs.html

Raleigh’s Neighborhood College or Citizens Leadership Academy

The City of Raleigh’s Community Services Department, at 919.996.6100, offers free programs for citizens of Wake County every spring and fall:

- During the Neighborhood College series, students meet and interact with City and Wake County staff and other residents. Participants learn how the city works and gain the tools to become more actively involved in their neighborhood and community organizations. Website: http://www.raleighnc.gov/portal/server.pt/gateway/PTARGS_0_2_306_202_0_43/http%3B/pt03/DIG_Web_Content/category/Resident/Neighborhoods/Neighborhood_Improvement/Cat-1C-20041124-094304-Neighborhood_College.html
- The Citizens Leadership Academy builds civic leadership skills. Website: http://www.raleighnc.gov/portal/server.pt/gateway/PTARGS_0_2_306_202_0_43/http%3B/pt03/DIG_Web_Content/category/Resident/Neighborhoods/Neighborhood_Improvement/Cat-1C-2006201-152520-Citizens__Participation_.html

Goals for 2010

Source: The Simple Dollar (<http://www.thesimpledollar.com/archives/>)

- 1.Spend less than you earn.
- 2.Stop wasting time.
- 3.Eliminate and avoid high-interest debt.
- 4.Talk about money (And be honest).
- 5.Stop trying to impress other people.
- 6.Watch your progress (But make it fun).
- 7.Take care of your things
- 8.Do it yourself.
- 9.Plan ahead every time you spend.
- 10.Find and work toward your true passions.
- 11.Build real friendships and relationships.
- 12.Improve yourself every chance you get.

Community Emergency Response Team (CERT) Training

The City of Raleigh has created the Emergency Management Division to train citizens, private businesses, and government employees for disasters. The Community Emergency Response Team (CERT) training program makes good sense and helps citizens understand their responsibilities in preparing for disaster in four areas:

- Present citizens the facts about what to expect following a major disaster in terms of immediate services.
- Give citizens the message about their responsibility for lessening the impact and being prepared.
- Train citizens in needed life saving skills with emphasis on decision making skills, rescuer safety, and doing the greatest good for the greatest number.
- Organize citizens into teams so that they are an extension of first responder services offering immediate help to victims until professional services arrive.

For additional information, contact: James Mercer, Emergency Management Director 919-996-4657 (phone) James.mercer@ci.raleigh.nc.us or visit: <http://raleigh-wakecert.org/>

Wake Tech offers Free JobsNOW Training

JobsNOW is a training program for adults who have been laid off or are unemployed. For more information on this program, upcoming start dates and a link to their application form, go to: <http://jobsNOW.waketech.edu/> . You can learn the needed skills, and earn certification, in one of six areas within two to four months (depending on the program selected):

- Certified Nursing Assistant
- Medical Healthcare Office Occupation
- Office Technology
- Hospitality
- HVAC/Plumbing
- BioWork

This education is also available to those who are employed on a fee basis.

2010 City of Raleigh Summer Youth Emp Program

The Raleigh Summer Youth Employment Program is designed for young people between the ages of 14 and 18 who live in the Raleigh City limits. The program seeks to develop good work habits and to stress both education and job experience. Additional Info: How do you apply? Complete an application and interview at one of the ten interview sessions scheduled in Raleigh during March - see JobLink Calendar <http://www.joblinkcc.com/calendar/Default.asp?calID=&mo=3&yr=2010&ev=&loc=&submit1=GO>) or the Brochure for details.



Calendar of Events:

February

Thurs., Feb. 4, 18, Home Protection Info Session, Triangle Family Services (700 Blue Ridge Rd Suite 101 Raleigh, 27606), 10:00am-11:30am. Call 919-821-1770 or E-mail cccs@tfsnc.org to register

Sat., Feb. 6, Homeownership Information Session, Habitat Conference Room, 9:30am-11:00am

Tues., Feb. 9, Bankruptcy Education, Triangle Family Services (700 Blue Ridge Rd Suite 101 Raleigh, 27606), 6:00pm-8:00pm. Call 919-821-1770 or E-mail cccs@tfsnc.org to register

Tues., Feb. 9, Homeowner Education: Maintenance and Repairs, Habitat Conference Room, 6:30pm-8:00pm

Tues., Feb. 16, Homeownership Information Session, Habitat Conference Room, 6:30pm-8:00pm

Tues., Feb. 23, Credit In-Depth, Triangle Family Services (700 Blue Ridge Rd Suite 101 Raleigh, 27606), 6:00pm-7:30pm. Call 919-821-1770 or E-mail cccs@tfsnc.org to register

March

Thurs., March 4, 11, 18, Home Protection Info Session, Triangle Family Services (700 Blue Ridge Rd Suite 101 Raleigh, 27606), 10:00am-11:30am. Call 919-821-1770 or E-mail cccs@tfsnc.org to register

Sat., March 6, Homeownership Information Session, Habitat Conference Room, 9:30am-11:00am

Tues., March 9, Homeowner Education: Predatory Lending – Mortgage Fraud, Habitat Conference Room, 6:30pm-8:00pm

Tues., March 9, Bankruptcy Education, Triangle Family Services (700 Blue Ridge Rd Suite 101 Raleigh, 27606), 6:00pm-8:00pm. Call 919-821-1770 or E-mail cccs@tfsnc.org to register

Tues., March 16, Homeownership Information Session, Habitat Conference Room, 6:30pm-8:00 pm

Tues., March 16, Identify Theft, Triangle Family Services (700 Blue Ridge Rd Suite 101 Raleigh, 27606), 6:00pm-7:30pm. Call 919-821-1770 or E-mail cccs@tfsnc.org to register

For more information on Habitat events, contact Syretta Hill at 833-1999x247 or Syretta.Hill@habitatwake.org.