

FINANCIAL EDUCATION DIVISION: 2006 A Year in Review

QUINCY MONEY CONFERENCE UPDATE

On September 28th 2006, Money Conference for Women had its largest showing to date, drawing more than 1200 attendees to Quincy and focused on money management, retirement and investment strategies for women of all ages and economic backgrounds. With her humor and keen insights, Dee Lee discussed how women can take control of their finances, protect hard-earned assets and develop a customized financial plan. There were several new facets to the conference including the additions of the Strategic Financial Partners, who provided financial advisors for one-on-one meetings and accepted job applications from attendees interested in being trained as financial advisors. A chair yoga and breathing class taught attendees the importance of overall well being, stressing the link between financial well being and physical and mental health.

The next conferences are scheduled for March 24th 2007 in Springfield, & October 27th 2007 in Worcester, MA.

"CAUTION WITH CREDIT" LAUNCHES

In the fall of '06 Treasurer Cahill and the Department of Financial Education launched a program aimed at helping college and high school students avoid the pitfalls of credit cards and advising them on the importance of maintaining good credit. The program uses the help of Consolidated Credit Counseling Services to offer advice to college and high school students who find themselves inundated with credit card offers with no way to discern which, if any, is the best fit for them. Kicked off at Brandeis University in November 2006, Caution with Credit will now be a presence at upcoming freshmen orientations, pre-spring break college fairs, and will be available as a resource to college and high school students year-round.

View some the Credit Lesson Testimonials at www.cautionwithcredit.com



Sources:
www.consumer.gov
www.ftc.gov

ATTENTION MASSACHUSETTS STATE EMPLOYEES!



To register visit:

www.mass.gov/treasury/fineducation/smartretirement.htm

Upcoming 2007 Seminars:

Spring 2007

April 4, 2007 Braintree Lottery
April 15, 2007 Cape Cod Community College

Fall 2007

TBD Holyoke Community College
TBD Berkshire Community College
TBD Quinsigamond Community College
TBD Fitchberg State College
TBD Massachusetts State House
TBD State Police Headquarters - Framingham
TBD Middlesex Community College - Bedford
TBD North Shore Community College

Join us for SMART Retirement & Beyond, a new retirement planning seminar series exclusively for Massachusetts State Employees sponsored by State Treasurer Timothy P. Cahill, the Massachusetts State Board of Retirement and the Deferred Compensation SMART Plan. This seminar is designed to provide you with the information and tools needed to help achieve financial security and comfort in retirement.

Facts about your benefits such as:

- * Membership & Creditable Service
- * Retirement Options
- * Survivor Benefits

How much income do you need to enjoy retirement?

“Military members: Starting this tax season, combat pay (which was already exempt from income taxes) can be treated as income for the purpose of qualifying for the Earned Income Tax Credit. Combat pay can also qualify as income for the purpose of making a contribution to an Individual Retirement Account or Roth IRA.

Parents: Formerly children under the age of 14 with an income over 1,700 were required to be taxed at a parent or couple’s highest rate. Now this age is 18. This change makes tax-sheltered 529 college savings plans more attractive to parents. Also, if you have adopted a child from another country but the

adoption is not final, an adoption taxpayer ID number, Form W7A, is needed to obtain an adoption tax credit of up to \$10,960 for costs associated with the adoption.

Recently divorced or widowed: Make sure that name changes correspond with what the Social Security Administration has on file or else it may result in an automatic rejection. Be aware in custody cases who files the child as a dependant. Widowers and widows are eligible to file a joint return in the year of the death and they may be eligible going forward to file as head of household status if there is still a child in the household. Income earned after the date of death goes into the estate tax return.

Low Income Filers: Households with an income less than \$50,000

are eligible for a matching tax credit if they have contributed to an employer sponsored retirement savings plan such as a 401(k) or a 403(b).

High Income Filers: This year married couples with an adjusted gross income above \$225,000 will be able to claim 1/3 of the standard deduction, which is a change from previous years in which very-high income households were not able to claim a standard deduction.

Self-employed: Congress has recently included computer software and deduction for mileage expenses up to 48.5 cents a mile to the deductions for the self-employed.”*

(*http://www.startupjournal.com/runbusiness/taxadvice/20070105-herman.htmlmod=RSS_Startup_Journal&sjrss=frontpage by Tom Herman, 2/13/2007)

TAKE A BIG BITE OUT OF GROCERY BILLS*

“The average U.S. household spends 13% of its budget on food, but savvy supermarket shoppers can save hundreds of dollars a month. Here are secrets from a couple of champs.

SECRETS:

- **Get to know sales cycles.** “Stores reduce their products according to a 12-week cycle, give or take. Let’s say your spaghetti sauce is normally \$2.19 a jar; on sale it’s \$1.99. That’s the phantom sale price,” says Sue McDermott, a mother of two who lives in Southern California., “so hang in there while the price drops to two for \$3. But don’t buy until it hits the rock-bottom price of, say, 10 for \$10 or BOGO -- buy one, get one free. That’s when you buy.”

- **Know your rock-bottom price.** McDermott recommends keeping a price notebook for a while so that you get to know the rock-bottom prices for most items. That way you’re less likely to get sucked in by phantom sale prices because you know a steeper discount is around the corner.

- **Spot the loss leaders.** Those are the staggering deals -- Tropicana orange juice for a nickel -- that lure unsuspecting customers into stores, who then buy lots of other things they don’t need. “If you see an unbelievable deal, scoop it up!” says McDermott. Just don’t buy anything else.

- **Shop off-list.** Your mom told you to stick to a list in order to save, but Lustro disagrees. When she saw ground turkey on sale for \$1 a package (a loss leader), she happened to have a \$1 coupon for the same brand and got it for nothing. She may not have turkey meatballs for a month, but when she does, it’ll be a free meal.

- **Don’t play silly supermarket games.** If an item is on sale, six for \$3, don’t assume you have to buy all six, says McDermott. You can buy just one for the sale price of 50 cents.”**

(**<http://articles.moneycentral.msncom/SavingandDebt/FindDealsOnline/TakeABigBiteOutOfGroceryBills.aspx>)



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The Financial Education Department of the State Treasurer's Office informs, empowers and helps the people of the Commonwealth from elementary school children to adults on the importance of their financial well being.

It's imperative the Commonwealth have resources to utilize regarding the importance of saving, investing and preparing for their futures. This newsletter was created to communicate information via email to all conference attendees throughout the year.

The financial programs also include the Saving Makes "Cents" Program, Caution with Credit, SMART Retirement & Beyond! and Tomorrow's Money Project. Please call the office to learn more!

FINANCIAL EDUCATION WEBSITE FAVORITES

FINANCIAL EDUCATION PROVIDERS

The National Endowment for Financial Education® (NEFE®) is a non-profit 501 (c) (3) foundation dedicated to helping all Americans acquire the information and gain the skills necessary to take control of their personal finances.

www.nefe.org

The Federal Deposit Insurance Corporation (FDIC) recognizes the importance of financial education, particularly for people with little or no banking experience. Money Smart is training program to help adults outside the financial mainstream enhance their money skills.

www2.fdic.gov/moneysmartregister/

BASIC MONEY TOOLS

MSN Money:
moneycentral.msn.com/home.asp

Reader's Digest:
www.rd.com/money

DEBT-PLANNING

Credit Card Debt Calculator
www.rd.com/moneytools

INVESTING

Stock Option Debt-Calculator
www.rd.com/content/stock-option-calculator

RETIREMENT

Social Security Online Calculator
www.ssa.gov/

PLANNING FOR COLLEGE

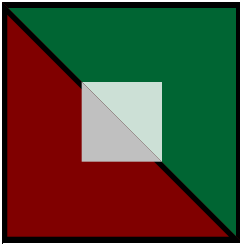
Parents should expect to pay at least half to two-thirds of their children's college costs through a combination of savings, current income, and loans. Gift aid from the government, the colleges and universities, and private scholarships accounts for only about a third of total college costs. The sooner you start saving for college, the more time your money will have to grow.

The Best Resources to Visit for your Free Application for Federal Student Aid!

www.fafsa.ORG
or www.finaid.org

Warning! Do not confuse these with www.fafsa.COM
This website will cost you money!

Disclaimer: The financial education recommendations and resources are intended to provide general information only. It is not intended as a substitute for legal advice or individualized financial advice.



Women And Money

A Project of State Treasurer Tim Cahill



PERSONAL FINANCIAL DIFFICULTIES FIND THEIR WAY INTO THE WORKPLACE*

"According to a 1995 study, one third of executives say that productivity losses caused by personal financial problems are the "most pressing overlooked workplace issue." More than 35 million people, or one in four Americans say that financial stress affects their work, according to Thomas Garman, the recently retired director of the National Institute of Personal Finance Employee Education. Adding to the stress is the fact that often collec-

tors call at work, and sometimes for months on end. This distracts employees from their actual job tasks and in the worst situations can lead to employees being fired.

Karen Hagen, CEO at Excello, a Minneapolis based workplace consulting firm, said that the worst thing a supervisor can do is become over-involved. Also lending money to employees is a big "don't." Instead, Hagen advises to make personal counseling and financial literacy available from independent sources, such

as through an employee assistance program and professional financial education."*

Could your workplace benefit from a financial education workshop? Recommend the idea to your Human Resources Director. There are many Federal and State Agencies, Non-Profit Organizations, and Private Companies that are receptive to teaching for free or very little cost.

(*Star Tribune Minneapolis – St. Paul, MN by H.J. Cummins printed 1/28/07)

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Financial Tips of the Day

- *Live below your means*
- *Thrift stores & consignment shops are great ways to save*
- *Bring your lunch to work*
- *Make your own coffee*
- *Pay yourself first*

If money is your hope for independence then you will never have it.

The only real security in this world is a reserve of knowledge, experience, & ability.

~Henry Ford

ADVANTAGES TO A HEALTHY OFFICE:

"Spending more on employee wellness programs may spell less turnover and better productivity for smaller companies, according to a recent survey from The Principal Financial Group.

More employees took advantage of onsite health screenings last year than in 2005. Seventy-nine percent of employees participated in such screenings in 2006, up from 68 percent the year before. Use of onsite fitness

facilities also increased. Six out of ten employees said they used this benefit last year, compared to 38 percent in 2005.

"As employers offer more wellness programs at work, employees will use them," said Jerry Ripperger, director of consumer health at the Principal Financial Group. "It's really a win-win. Healthier employees ultimately lead to a healthier bottom line for employers."

More than half of employees said wellness programs offered by their employers encourage harder work and better performance, while 55 percent said they're more likely to stay with that employer."**

(**http://www.boston.com/business/personalfinance/articles/2007/02/06_col-umn_v_day_spending_office_crushes by J.W. Elphinstone, AP Business Writer 2/6/07)