

# February Newsletter



## ACTIVITIES ON A BUDGET

Saving for retirement, budgeting, college tuition or whatever it is on your radar, doesn't mean you have to keep your nose to the grindstone. There are many free and budget conscientious ways to enjoy life along the way! Here are some of our favorites!

- Take a hike at a local or State Park.
- Go fishing;
- Prepare for garden season;
- Take up a new hobby that gives back to your way of life;
- Volunteer at a church or local organization;
- Start a workout routine;
- Learn a new skill;
- Or even, visit your local library for your next read.

## THE MONEY COACHES

### CHOOSING THE RIGHT PERSON FOR YOUR TAXES

It's that time of year when folks are preparing to file their taxes and finding the person or company to help you can be daunting. Typically, you would select a Licensed Tax Preparer or a Certified Public Accountant to walk you through the steps of reporting your income to the government. But how do you know which is right for you? Here are the major differences.

**A Licensed Tax Preparer:** No college degree required, must pass a three-part Special Enrollment Examination, no professional experience is required, minimal continued education required, licensed through the IRS, and specializes in taxes only.

**A CPA:** Bachelor's degrees and hands-on credit hours required, four-part Uniform CPA exam, one to two years professional experience, extensive continued education required, licensed through AICPA, individual states and jurisdictions, specializes in several areas, including audit, litigation services, and taxes.

What it all boils down to is the level of filing required (simple or extensive) and where your comfort level falls. If you are still unsure, reach out, we're here to help you identify the best fit for your financial needs.



### IT'S FAFSA TIME

For those of you in or getting ready to begin post high-school education, now is the time to begin thinking about applying for State and Federal grants through FAFSA. Visit: [studentaid.gov](http://studentaid.gov) for FAQs, deadlines and a direct link to the online application.



## Preparing for tax time

BY JESSICA

For some, tax time feels like you finally have time to breathe. For others, it comes with anxiety over the best way to utilize the money coming back to you. I personally fall into the latter of the two.

In January's newsletter we talked about goal setting and the "big kahuna" my husband and I are working towards. For those of you who missed it, we're saving for our forever home. Well, not saving actually, because we aren't there yet. But, setting the foundation to get there. Nothing good was ever built on quick-sand, remember that.

Now that we have our eyes on what we are working towards, we also have a healthy dose of anxiety as we strive to make every dollar count. And tax time is just added pressure. How do we chose the right debt to pay on? Do we want to make a bulk payment on the largest one and then not feel satisfied because nothing is "paid off."

We have chosen to follow Dave Ramsey's Baby Steps... sort of. Step one is save \$1,000 for a starter emergency fund. My husband and I have decided this is a non-negotiable for us and we're almost there.

Step two is paying off all debt using the debt snowball (smallest to largest and paying minimum payments on all but the smallest). This is another non-negotiable for us. However, I'd be lying if I said we waited to do this until we had the emergency fund. Based on our family's needs we chose to save for the emergency fund by treating it like a bill we paid into every month instead of putting off the minimum payments on our debts to have it in one swoop. But that's the beauty of advice, you can tailor it to what YOU need.

The remainder of the steps include the following:

Step three: Save 3-6 months of expenses in a fully funded emergency fund;

Step four: Invest 15% of your household income in retirement;

Step five: Save for your children's college fund;

Step six: Pay off your home early; and

Step seven: Build wealth and give.

As most of you know, we are no where near ready for steps three through seven. But, I will say my husband's job offers him a retirement plan we couldn't say no to even though it doesn't look like a 15% investment.

Based off our conversations with The Money Coaches, it became evident that the best thing for us would be to couple the "snowball method" and the cash envelop system (for reoccurring bills) to give us the control of our money and the visual of seeing it work for us as we move towards that overall goal. Again, it all goes back to having a plan. Now, we can assuredly say, tax time isn't going to own us any more. Rather, we are going to own it.

**"To give without any reward, or any notice, has a special quality of its own."**

ANNE MORROW  
LINDBERGH

