

CAAB's newsletter is designed to ensure that our IDA/MDA Savers are fully informed about relevant money management topics, effective savings strategies, financial education opportunities in the DC area and upcoming CAAB events. Every month, we will feature a different article focusing on strategies or products that can help you plan for and achieve your savings goals.

## What NOT to Do With Your Refund

by Pat Philippe

It's that time of year again. With good planning, good record keeping, and a good tax preparer, some of us will be fortunate to receive refunds this tax season. On the other hand, some of us will discover that we owe good ol' Uncle Sam, some of us will choose not file, and many of us who do get refunds will squander them irresponsibly and sometimes, immediately.



This year, let us all make better financial decisions. The textbook sign of foolishness is doing the same thing over and over again, and expecting to reap different results. Let us regain our financial wisdom in 2007. Here are 5 things to consider NOT doing with your income tax refund...

### 1) Don't blow it at the mall.

Retailers are working hard to target consumers with sales and promotions geared to encourage people to spend part or all of their refund on electronics, new clothing, food and entertainment (i.e. liabilities).

### 2) Don't allow yourself to get taken for a ride by the car dealership.

Some dealerships will try to make you believe that you need a new car and you can use your refund as a down payment. The truth is that most times paying for repairs on your current vehicle is far less expensive than the cost (and aggravation) of purchasing a new car.

### 3) Don't ignore your debt.

With rising interest rates, one of the best things you can do with your refund is to pay off debt. If you do this, in the long run you will save money by avoiding outrages finance charges. Consider paying off your credit cards, paying off your car, or getting one payment ahead on your mortgage. By doing this you might also boost your credit rating.

### 4) Don't forget to save!

Save your refund for college. Save for the upcoming holidays. Save up for the down payment on your house. Start or expand your emergency fund. What ever you do, save a portion or all of your refund if possible.

### 5) Don't think short-term.

Tax refunds combined with lack of financial planning result in impulsive (often times reckless) spending. Remember that instant gratification leads to ongoing stress. This year when you receive your refund, think LONG-TERM.

If we avoid these mistakes, our tax refunds will be a tool to get a few steps closer to financial freedom, instead of a shovel that we use to dig ourselves into a deeper financial grave. ♦

## CONGRATULATIONS!

The following savers have made asset purchases in the month of December. Will you be next?

### Shonette Balton

Education

### Maria Lopez

Homeownership

### Barbara Moore

Homeownership

### Jalal Naeem

Education

### Lenins Salinas

Education

### Safari Nicole Williams

Education

### Jian Zheng

Education

### Need help filing your tax returns?

The DC EITC Campaign provides free tax preparation and electronic filing services to low-income residents at twenty locations throughout DC. Visit [www.dceitc.org](http://www.dceitc.org) or call 202-463-6211 to find a free service near you. Tax sites are open afternoon, evening and weekend hours from late January through mid-April. This year, file smart and save more.



## PROGRAM NEWS



— Sign Up for the Money Management 101 Classes in January! —

Everyone in the IDA program is required to fulfill eight hours of financial education. Participants in CAAB's match savings programs can opt to attend classes anywhere in the District of Columbia, but if you are still looking for an appropriate money management class, you might want to consider the classes happening this month at CAAB's office.

Starting in January of 2007, CAAB will offer a series of five 2-hour money management sessions that can fulfill the financial education requirement. The schedule is on the other side of this insert. If interested in signing up or for more information, please call Patrice Philippe at 202-419-1440 or e-mail him at [pphilippe@caab.org](mailto:pphilippe@caab.org).

# UPCOMING EVENTS

## CAAB Classes

### Money Management Sessions for 2007

**January 20**

Setting Financial Goals

**January 27**

Understanding & Improving Your  
Credit

**February 3**

Knowing Your Rights

**February 10**

Keys to Budgeting

**February 17**

Financial Institutions & Products

## - HOMEOWNERSHIP -

### Workshops on Home Buying

Every Wednesday at 10:00 AM and  
Friday at 11:30 AM

Home Resource Center

815 Florida Avenue NW

-For more info, call (202) 777-1600.

### Pre-Purchase Orientation

Every Thursday  
11:00 AM - 1:00 PM

Housing Counseling Services Training  
Center, 2410 17th Street, NW Suite 100

-For more info, call Elsa Zambrano at  
(202) 667-7006 or e-mail

[elsazambrano@housingetc.org](mailto:elsazambrano@housingetc.org).

## - JOB TRAINING -

### Training and job placement services Ongoing

Goodwill of Greater Washington

-To participate in training and job placement  
services program, contact Ms. Gladney at  
(202) 715-2627 to schedule a date to  
complete an application for services and  
orientation/interview.

## - SMALL BUSINESS -

### Learn How You Can Write Your Own Business Plan

On business days except for holidays  
9:00 AM - 4:00 PM

Department of Employment Services

64 New York Avenue, NE

-Register by calling Ralphine P. Beaton at  
(202) 671-2144 or e-mailing

[Ralphine.Beaton@dc.gov](mailto:Ralphine.Beaton@dc.gov)

### How to Incorporate in DC, MD and VA (Corporation paperwork)

Tuesday, January 9<sup>th</sup>, 6:30-9:00 PM

SEU, 501 I Street, SW

This clinic will show you how to complete  
the forms to register as a Corporation in DC,  
MD and VA. **Cost: \$50**

### Financial Management Basics for your Small Business

Thursday, January 17<sup>th</sup>, 6:30-9:00 PM

Location: SEU, 501 I Street, SW

This seminar will help you understand basic  
practices in financial management, and build  
the basic systems and practices needed in a  
healthy business. **Cost: \$40**

### Local Small Disadvantage Business Enterprise Project Management

Thursday, January 18<sup>th</sup>, 6:30-9:30 PM

SunTrust Bank, 1445 New York Ave, NW

This course is designed to teach LSDBEs  
how to develop project plans, set  
timeframes for project completion, and  
identifying and sourcing staff for defined  
projects.

### How to Jump Start Your Business

Wednesday, January 24<sup>th</sup>, 6:30-9:00 PM

Location: SEU, 501 I Street

### Local Small Disadvantage Business Enterprise Marketing

Thursday, January 25<sup>th</sup>, 6:30-9:00 PM

SunTrust Bank, 1445 New York Ave, NW

This course is designed to help business  
owners go beyond the four Ps of marketing.  
They will learn how to determine who their  
market is, where they are, how to target  
them, how to set pricing, product  
development, how to use certifications and  
procurement to market their products  
(LSDBE, SDB, GSA and DC Schedules),  
develop a marketing strategy and plan, and  
basic ad creation. **Cost: \$50**

## CERTIFICATE IN ENTREPRENEURSHIP!

- MARCH 2007 -

The Center for Entrepreneurship offers a  
distinctive business training experience for  
current and aspiring business owners.  
Courses are targeted for those who are  
interested in building the capacity and  
revenue of their businesses. To register,  
please call (202) 478-8231. Visit their  
website at [www.seu.edu](http://www.seu.edu). You can also send  
an email to [entrepreneur@seu.edu](mailto:entrepreneur@seu.edu).

## CAAB CORNER

If you've been in the CAAB IDA or MDA program for more than six (6) months and are ready to utilize your savings and earned matching funds for a qualified expense, here are a few tips:

- Make sure that your anticipated purchase is a qualified expense. Consult the CAAB website, review your brochures or call us with any questions.
- Have the proper documentation ready to submit to us—this includes invoices, purchase orders, work orders, bills, etcetera.
- Be sure to tell us who the check should be payable to and the exact amount.

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