



Money and Success from Earned Income Tax Credit Program

Kristen Phillips of the Department of Health and Social Services shared the following success story.

Last year Carla H., a single mother of three girls and a part-time employee of the County, took advantage of a free tax preparation service and gained much more than she expected. She ended up with a large tax refund and whole new financial outlook.

Harris, who qualified for the Earned Income Tax Credit, received a \$4,047 federal refund and was also connected to asset development opportunities allowing her to invest in a Certificate of Deposit and open a savings account.

Gone are the days when Harris says she didn't have any idea about credit or what it meant to have it. She also learned the necessity of life insurance policies and wills. Harris is now planning for things like homeownership and college educations for her daughters.

Harris honed her fiscal planning skills in basic financial literacy classes recommended to her by the person who helped her file her tax return. "I'm proud to be such a positive example for my children," she said.

Harris is equipping her three girls with the same knowledge. She recalls eating frequent meals at places like McDonald's, but now she's discovered the value of home cooked meals, which strengthen family ties and her pocketbook.

Looking back over the past year, Harris says, "Being in this program made me open my eyes. I've started things

now that I wished I had started a long time ago." She sees a brighter future for her family. "It makes me want to go forward," added Harris.

If you earned less than \$34,458 (or \$35,458 if married filing jointly) in 2004, you may qualify for the Earned Income Tax Credit (EITC). Based on your earnings and family situation you could receive up to \$4,300 when you file your taxes. You may also be eligible for the Child Tax Credit (CTC) which can equal up to \$1,000 for each qualifying child.

For the free tax preparation location nearest you, visit www.UWTB.org or call: 2-1-1.

How many can you check?

- I keep track of daily expenses.
- I keep track of my checking account.
- I have a spending/saving plan.

I avoid paying interest on items that decrease in value.

I dedicate a fixed amount of money for savings.

I have 3-6 months of expenses reserved for emergencies.

I pay bills on time.

I check my credit report annually.





Kids and Cash

Diana Converse, Family Life Educator



Children are not born with money sense – money management must be learned. Because children’s attitudes and values about money are influenced by what they see, hear, and learn at home, parents need to set a good example. In addition, children learn by their experiences using money. Parents have an opportunity and obligation to help their children gain knowledge and skills in managing money wisely. Here are a few tips to consider:

- Guide and advise rather than direct and dictate. A discussion is more effective than a lecture.
- Encourage rather than criticize. Allow children to learn by their mistakes as well as successes.
- Be objective about the purpose of money – do not use it for rewards or punishment.
- Include family members in decision making and family money management activities.
- Establish specific guidelines for school-aged youth who are employed. Guidelines should include hours allowed to work, spending/saving or income, and school performance.

Pre-School	Elementary School	Middle School	High School
<ul style="list-style-type: none"> * Count and sort coins. * When shopping, give child two or three items from which to choose. * Let child pay for small items at store. * Use stories, books, and games to teach about money. * Check the children’s department at your local library. 	<ul style="list-style-type: none"> * Let children earn money for specific jobs around the home over and above regular chores. * Point out opportunities for children to share. * Save for small items to buy within a week or two. * Read stories or books about money. 	<ul style="list-style-type: none"> * Help preteens develop positive traits through other interests and skills not related to money. * Set goals for money and set up a spending plan. * Open a savings account. * Allow preteens to make own decisions for some of their money. 	<ul style="list-style-type: none"> * Encourage long-range savings for vacations, camps, gifts, etc. * Encourage comparison shopping for items. Teens want to get the most for their money. * Let teens be involved in family discussions about money as well as helping to fill-out checks to pay family bills.
<p><i>This age has difficulty understanding concepts such as time and value. They may think a nickel is more valuable than a dime because of the size. Credit cards and check may confuse them. They have an understanding about buying things but little understanding of limited money resources.</i></p>	<p><i>This age is eager to learn, but attention span is short. Making choices is difficult. Money means more to them, but they may be careless with it. They are beginning, to develop an awareness of the relationship between today’s decisions and tomorrow’s results.</i></p>	<p><i>This age is looking to peers for approval. They may want to spend freely, especially to be accepted in a group. Self-esteem may correlate to items they have or can buy.</i></p> <div style="text-align: center;"> </div>	<p><i>These years are full of turmoil and inner conflict. Teens desire freedom, yet need security. They may reject money management principles that they formerly used. Often teen’s opinions are in conflict with parent’s ideas. Teens want independence and freedom to make their own choices.</i></p>

