



2nd Quarter 2009

Economic Rescue: How to Take Charge of Your Finances Now

Resources and ideas for individuals and small businesses

Knowledge is power when it comes to taking control of any situation. When you arm yourself with clear information, it's much easier to map out a smart plan to deal with whatever is happening ... including the ups and downs of today's economy.

That's what this issue is all about: giving you ideas to protect yourself and take control of your financial situation.

Please note that these are general ideas. You may need to work with your accountant for guidance and planning that can ease your specific situation. See our sidebar for details.

INDIVIDUAL credit, retirement funding, and housing

The credit crisis

Have you recently received a surprise interest rate hike on your credit card, discovered limited lending opportunities, or taken a hit on your FICO score? You're not alone. Many credit card companies and lenders have tightened their policies, raised rates and dropped FICO scores for a number of reasons, even with people who pay their bills on time. So what can you do about it?

- **First, know exactly where you stand** regarding your credit score as well as your card balances, interest rates, monthly minimum payments, etc. Request a free credit report at this official government site: www.AnnualCreditReport.com. You can also get your FICO credit score on the same site for a small fee (ranging from \$7.95-\$12.95). Also, call the creditor and ask what happened. Recently one of our clients called CitiBank about something and they dropped his rate from 15.99% to 9.99% without him asking.
- **If you received a credit card letter announcing an interest rate hike** ... you may have been given the option of "freezing" the card and keeping the annual percentage rate (APR) at the lower rate you once enjoyed. That's fine as long as you don't use the card again and cause the APR to jump to the new higher amount. Or consider transferring your balance to a new lower-APR card and saying goodbye to the company that

Financial planning help: Your best financial solutions may be just a phone call away

As you know, we rarely use this newsletter to include blatant promotions for our services, and we respect that you enjoy receiving news, tips and ideas from us; not sales promotions.

But these are unusual times. We know that many people are struggling with their finances and investments right now and may not know where to turn for sound advice and guidance. So please bear with us as we extend a direct offer to help you.

Accountants are much more than number-crunchers and tax return specialists! In fact, each one of us can be counted on for financial planning guidance.

Any of our senior staff — Janet, Jane, Peter, and Joyce — can review your current financial picture and help you develop a smart and clear plan for the future. We can address your concerns regarding credit, investments, estate planning, college funding, home financing, and other financial matters. We can help to free you from constant money worries. Here's precisely what we can do to help:

- Meet with you 1-on-1 and review your current balances, asset allocation, debt load, etc.
- Do a reality check on your income and expenses, as well as your specific needs and wishes.
- Answer your questions about what to do next: help you with decisions that may have you paralyzed at the moment.
- Provide clear step-by-step guidance on how to navigate today's financial landscape, turn things around, and improve your future in spite of this crazy economy.
- Offer resources, tools and training options that will make it much easier to stay on top of your finances.

Please give us a call right away if you'd like to take control of your finances and ease your worries. Call 207-774-0882. |

raised your rate. And soon, the Credit Cardholders' Bill of Rights may become law and offer you some relief after a year. We'll keep you posted.

- **If your FICO credit score is lower** for some reason, you CAN repair it. The Federal Trade Commission's helpful website: **Credit Repair: How to Help Yourself** (<http://www.ftc.gov/bcp/edu/pubs/consumer/credit/cre13.shtm>), states, "You can improve your credit report legitimately, but it takes time, a conscious effort, and sticking to a personal debt repayment plan." You'll find detailed steps for repairing your credit score over time and more importantly, avoiding "credit repair" scams.

Retirement funding and investments

It's safe to say that most retirement funds have taken a beating, but it doesn't have to remain that way. Once you know exactly where you stand, you can possibly take actions to stop the erosion, stabilize your investments and perhaps even find opportunities for growth. It's all about turning frustration and helplessness into the following actions that put you in the driver's seat.

1. **Gather your statements to get a clear picture of exactly where you are today.** This includes your 401(k), IRA, Roth, individual stocks, savings accounts and any other funds earmarked for retirement.
2. **Address the situation immediately to improve your chances of bouncing back.** You can do it yourself using general online resources such as Money Magazine. But since every situation is unique, we strongly suggest that you talk with your accountant, who will review your investment portfolio and provide personal guidance on what to do next.

When you work with your accountant, you'll get an objective yet personal view of your situation and have an ongoing source of support as you make adjustments. See our page 1 sidebar for details.

Housing: mortgage payments, foreclosure, buying a home

There are a number of resources designed to help you keep your home or buy a home within today's lending environment. In February, President Obama unveiled a "Homeowner Affordability and Stability Plan" ... and in March, the administration provided detailed guidance for the real estate and lending community, calling it the Making Home Affordable Program.

You may benefit from the plan's "The Home Affordable Refinance Program," in which eligible borrowers may refinance their Fannie Mae or Freddie Mac loans; and "The Home Affordable Modification Program," which offers assistance to homeowner-occupants in default or at risk of default.

In addition, home loan money is becoming available again with slightly looser requirements, making it easier to buy a home. If you're a first-time homebuyer looking to purchase a home before December 1, 2009, you may qualify for a tax credit of up to \$8,000.

For complete details, we suggest that you contact:

- The institution that currently holds your mortgage, or a foreclosure specialist who works in your community
- Your local bank, credit union or mortgage lender if you're looking to buy a home

Speaking of credit, the 2009 economic stimulus act includes increased tax credits to encourage green energy use in the home, such as wind energy, solar water heating and geothermal heat pumps; and also the use of plug-in electric vehicles. You'll find details at this Energy Star website: http://www.energystar.gov/index.cfm?c=products.pr_tax_credits.

SMALL BUSINESS credit, cashflow and employee worry

If you happen to be concerned these days over your business finances, you're not alone. But all is not lost. We have a number of ideas that may help you take control and feel better.

First of all, it's important to stop feeling like a hamster running endlessly in a wheel. Take a deep breath and evaluate where you are now. It will pay to take a fresh look at everything you're doing and tighten up wherever possible — from your payables and receivables, to your expenses and staffing practices.

Address payables head-on:

- If you're falling behind on payables, talk to your creditors instead of ignoring or delaying any problems. It's much better to have a conversation now and set up a payment plan you can live with.
- If you're having a hard time making payments to the bank, talk to the bank. Or, bring in your accountant for guidance on how to look at various options before approaching the bank.

Tighten up receivables:

- If you've been too lenient on slow-paying receivables, tighten up the terms and send a friendly message that lets everyone know the new process. Perhaps it's a shift from 30-day to 15-day payment due dates. Or 50% deposits, with balances due upon receipt of the completed work.
- Prevent taking on clients that do not seem ready to pay at least a portion up front. Some companies have switched to cash or credit card payments taken upon order or delivery. Consider ways to make money come in faster for everything you do!

Expenses:

- What can you cut back on? Where can you find efficiencies? For example, we switched from a monthly bottled water service to using good 'ole Sebago Lake tap water with a filter system, and we've saved \$1,000 so far. Look at every single expense and find cheaper alternatives, from generic brand pencils and paper clips to big-ticket items used regularly for your operating needs.
- Plus, what expenses can you put off for now? Can you get another year out of your copier/printer lease

◀ RESCUE ...continued from page 2

instead of upgrading to the new model and paying more, for example?

Rethink your staffing:

- If you're feeling overstaffed, this may be a great time to give a full-timer that part-time position he or she has been asking about. Or before you hire a new staff member, be sure to think about that person's responsibilities and see if they can be spread around to existing staff, or even yourself.

- If your employees are anxious, involve them in the solutions. Ask for suggestions to stay on top of finances and reduce expenses. Tough times call for creativity! You may be surprised and delighted by what your team suggests.
- In addition, we can come and talk with your employees to ease their personal money concerns. You'll be a hero to them, and in return, help them focus on your business, not their personal fears, while they're on your time. |



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PERSONAL MONEY COACHING FOR TRYING TIMES

Now more than ever ... manage your money and liberate your life

This just may be the best time of your financial life ... if you know how to look at your relationship with money and the underlying beliefs that hold you back from an abundant future. Jane Honeck, CPA, PFS can help you do just that.

She's a Money Coach, Personal Financial Planner and Certified Empowerment Trainer who founded a unique Cen\$ible Living approach to living with money. Through six personal one-on-one sessions, Jane can help you discover that money freedom is **not about the numbers**. It's actually about something much deeper; you'll be surprised. Jane will help you overcome your real barriers and create realistic, attainable action steps that lead you to your dream financial life.

"During this past year, I was able to get out of credit card debt and launch my own life coaching business. I give much of the credit for these successes to Jane's coaching." Creighton Taylor

"When I started working with Jane, I felt trapped and oppressed by my financial situation. I now know I can live ... with joy, peace, and freedom from worry and guilt. I am very grateful for Jane's guidance." Judy C.

Jane's coaching is available now for individuals and couples looking to break free from limiting habits and enjoy their financial life.

Call Jane today at 207-774-0882 to see if this program is right for you. Also visit Jane's blog www.theproblemwithmoney.com for her thoughts and tips about money.

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Our QuickBooks experts are standing by to help you use its tools to your full advantage.

Call us 207-774-0882 to ask how you can make the most of QuickBooks for your business.

CLIENTS IN THE NEWS

Local Ink

An apparel design house offering high-quality wearable art

Mark Ohlson was following a career path in Portland retail clothing and restaurant management when he had an epiphany while listening to music. He thought, "Music inspires me to feel better, and that's what I want to do! I want to make the lives of people a little better each day." So in 2007, he established Local Ink LLC to create clothing that can help people feel better. Local Ink focuses on the success of designers and customers through four philosophical pillars: Look. Fit. Relationship. Exclusivity. Each original garment in this artistic, limited-edition line comes with a personal letter, the artist's photo and bio, and a short commentary. Each garment is "burned" with an outside tag that boldly reflects the Local Ink brand. Mark explained why he goes to these lengths: "We want customers to have a healthy relationship with the garment and feel like they're a part of something bigger, with a sense that each person is one of a kind and so is their new cotton armor." The business is growing



steadily *thanks* to the economy because, Mark noted, "There are so many opportunities now. Big companies that once ignored us are now giving us attention, and we're getting deals on advertising and other purchases." Visit www.local-ink.com.

Christopher T. Bartlett, M.D., True North Healthcare A local doctor who bills pa- tients by the minute

Dr. Chris Bartlett, a Board Certified Family Practitioner, has cared for people of all ages in Maine since 1993. But he's not your typical doctor. He focuses on taking extraordinary care of just a small group of people. It started when caring for his soldiers in Desert Storm and then continued during his early days in a small civilian practice. However, as the practice grew and became more "corporate," he found himself delivering medical care that became "an exercise in damage control." At that point he knew things had to change. He told us, "In 2008, I followed my dream and opened my ideal medical practice at True North, just like an old fashioned town doctor, now enhanced by cell phones and email." Patients receive direct access and attentive care by email, phone, office visits and even home visits. The cost is based on the length of the visit, and cash or credit card payments are due when services are rendered. This keeps costs as low as possible (no insurance paperwork and restraints). And while his care is reimbursed by many insurance plans (but not HMOs, Mainecare and Medicare), his lower fee structure is ideal for uninsured patients and those with high deductibles. Therefore, people of all incomes can receive care from Dr. Bartlett. Learn more at www.DoctorBartlett.com.



Jane Honeck, CPA, PFS,

will be speaking at the American Mental Health Counselors Association's annual convention in Washington, D.C. this July.

**ECONOMIC
RESCUE!**

INSIDE

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