MONEY MATTERS

A SPECIAL SUPPLEMENT TO

STAR BEACON
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www.metrocreativeconnection.com

Managing money after 50

Investors know that money management can be difficult. The ebb and flow of the economy can be similar to a roller coaster, with soaring highs followed by steep drops, and those changes all affect investors' bottom lines.

It's no wonder then that many investors over 50 envision the day when they can get off that roller coaster and simply enjoy their money without having to worry about the everyday ups and downs of the market. But managing money after 50 is about more than just reducing risk.

Reducing risk as retirement draws near is a sound financial strategy that can safeguard men and women over 50 from the fluctuations of the marke

That's true whether investors put their money in stocks, real estate or other areas that were not immune to the ups and downs of the economy. But there are additional steps men and women can take after they turn 50 to ensure their golden years are as enjoyable and financially sound as possible.

■ **Prioritize saving for retirement.** Men and women over 50 know that retirement is right around the corner. Despite that, many people over 50 still have not prioritized saving for retirement.

It's understandable that other obligations, be it paying kids' college tuition or offering financial assistance to aging parents, may seem more immediate, but men and women over 50 should recognize that their time to save for retirement is rapidly dwindling. Just because you are retired does not mean your bills will magically disappear

In fact, some of those bills, such as the cost of medical care, are likely to increase.

So now is the time to make retirement a priority if you have not already done so. It might be nice to finance a child's college education, but that should not be done at the expense of your retirement nest egg.

Kids have a lifetime ahead of them to repay college loans, while adults over 50 do not have that much time to save for retirement.

■ Start making decisions. People retire at different times in their lives. Some people want to keep working as long as they are physically and mentally capable of doing so, while others want to reap what their lifetime of hard work has sewn and retire early.

Finances will likely play a strong role in when you can comfortably retire, so start making decisions about your long-term future.

Do you intend to stay in your current home or downsize to a smaller home? Will you stay in your current area or move elsewhere?

These decisions require a careful examination of your finances, and many will hinge on how well you have managed your money in the past and how well you manage it in the years ahead.

Managing money after 50 requires more than just allocating resources. Sound money management after 50 also means making decisions about your future and taking the necessary steps to ensure those decisions come to fruition.

■ **Pay down debt.** Men and women over 50 are not often associated with debt, but that's a misconception.

Thanks in part to the recession that began in 2008 and led to high unemployment, many people in the baby boomer generation, which includes people born between the years 1946 and 1964, went back to school to make themselves more attractive to prospective employers.

While that might have been a sound decision, it left many deeply in debt.

According to a 2013 report from the Chronicle of Higher Education, student loan debt is growing fastest among people over 60, and that debt is not inconsequential.

In fact, the Federal Reserve Bank of New York reported in 2013 that the average student loan debt of those over the age of 60 who still owe money is more than $19,000, a considerable increase from 2005, when the average debt was $11,000.

Men and women over 50 who are still carrying debt should eliminate consumer debt first, as such debt tends to be accompanied by higher interestrates than mortgages and student loan debt.

Paying down debt can help reduce stress, improve your quality of life and free up money for living and recreational expenses once you retire.

■ **Examine your insurance policies.** Your approach to insurance should change as you get closer to retirement. For example, you want to maximize your liability insurance on homeowners and auto insurance policies.

This ensures the money you have set aside for retirement won't be going to a third party should you be at-fault in an auto accident or if someone suffers an injury at your home.

Experts recommend liability insurance be substantial for men and women over 50, with some suggesting it be as high as twice your net worth.

If it wasn't already, securing long-term disability insurance should be a priority once you have turned 50. A sudden accident or illness at 55 that prevents you from working could prove devastating to your financial future if you do not have disability insurance.

Regardless of how you get your disability insurance, make sure you have it and that it provides adequate coverage should you succumb to an illness or injury and be unable to work.

How to save on prescription drug costs

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Prescription drugs can be quite expensive, and even those who have health insurance often pay more than they need to. According to a 2012 Consumer Reports "Best Drugs" poll on prescription drugs, Americans routinely take an average of four medications per day, spending nearly $800 on drug costs each year.

Those who do not have health insurance may have to pay much more out of pocket.

As expensive as prescription medications can be, there are still ways to save money on prescription drug costs.

■ Comparison shop

Believe it or not, drug prices vary depending on the time of the year and even the pharmacy. A person can shop around for the most affordable medication just like they would when buying another product.

Prescription drug apps enable you to search for discounts in your neighborhood.

■ Read your bill

Medical coding and billing is not always accurate. Employees entering codes may put in the wrong information, inadvertently charging a person for the wrong medication. Treat your medical bills as you would any other bill and verify that the charges are correct.

If you have any doubts, check the drug name with your doctor and then consult with the pharmacy to see if an error was made.

■ Opt for generic medications

Generic versions of hundreds of brand name prescription drugs are available and typically cost a lot less money. With a generic medicine you are not paying for marketing and advertising costs. These drugs are routinely tested for efficacy and safety.

There is really no reason to select a name-brand medicine over the generic alternative, even when it comes to over-the-counter drugs.

Ask your doctor on your script to check the box for the generic option.

■ Use a preferred pharmacy mail-order service

Certain insurance companies have negotiated discounts with mail-order pharmacies and pass on the savings to their members.

Medicare and other government-sponsored plans may offer the same type of deal, and consumers can save a substantial amount of money by opting for mail-order service.

■ Consider big wholesalers

You may think of Costco or Sam's Club as your go-to place to buy 30-packs of toilet tissue, but these retailers also offer discounts on prescription drugs.

Even nonmembers are allowed to use these warehouses for their prescription drug needs. Big wholesalers could give you the best deal on your pills.

■ Skip the insurance sometimes

Consumer Reports says hundreds of commonly used generic medications can be purchased for around $10 for a three-month supply at various major chains.

Program details vary, but consumers might be able to save a lot of money by using these programs and leaving their insurance cards in their wallets.

■ Opt for OTC

In many cases, an over-the-counter medication may be just as effective as a prescription drug. Talk to your doctor about trying an OTC remedy before a prescription is written.

Ibuprofen may relieve arthritis pain, and diphenhydramine could alleviate insomnia, all at a much lower cost than prescription drugs.

Prescription drug costs can add up. But there are a number of strategies consumers can employ to reduce the out-of-pocket expenditures on medications.

Shop around for lower mobile phone plan costs

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With tax season on the horizon, many people are taking inventory of their personal budgets and finding ways to save money.

One way to save is to look at discretionary spending and scale back wherever possible.

Assessing luxury services, such as cable television and mobile phone services, and finding places to trim some fat can free up extra money.

In the not-so-distant past, consumers had few choices regarding mobile phone carriers.

But many companies are now vying for consumer dollars, and each offers their own unique plans and services.

Although a greater number of companies can mean more selection, it can also make finding a plan that makes the most financial sense more difficult.

Mobile phone companies are competitive in their pricing plans.

In early 2014, some large providers unveiled new plans that bundle services together and share them among various family members and even friends on the same plan.

Since mobile carriers now offer virtually the same network technology, a similar array of phones and comparable service, they must find new ways to distinguish themselves from one another.

One way to do so is to entice customers with lower prices.

Understanding the jargon and what is expected of you as a consumer is a good way to weed through the various mobile phone options.

■ Type of services

When shopping for a new mobile plan, consumers should first determine which services they desire from a mobile phone company.

Do you use your phone simply for voice calls and text messaging?

Are you spending hours browsing the Internet?

Do you frequently upload or download data?

Defining your needs can help you narrow down your options and reduce the likelihood that you will end up paying for services you don't need or want.

It is still possible to purchase a basic phone and use it only to make phone calls.

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WITH A little research, it's possible for men and women to pay less for mobile phone service.

However, in addition to making phone calls, many people use their phones as handheld computers, relying on them for messaging, web browsing, personal planning, and taking pictures.

The more things you want to use your phone for, the more you are likely to pay for phone service.

■ Contract

Mobile providers may offer a locked-in or discounted price for customers willing to sign a contract.

If you do not mind being locked into a plan for a certain number of years, this can work in your favor.

If you want to test the waters with other phone companies, then steer clear of making any long-term commitments.

Should you sign a contract with a service provider, you may be subject to an early termination fee if you break that contact.

This may not make financial sense, so it's best to consider the likelihood that you will switch providers before signing on the dotted line.

■ Number of plan participants

Many mobile providers offer discounts to groups. These friends and family plans vary, but many of these plans include significant discounts based on the number of members within the plan.

That means a family of six that has signed up for a plan could pay less than a family of four who are not in a plan together.

■ Subsidized device charges

When shopping for a new plan and phone, it's best to read the fine print.

A mobile carrier may offer new devices at a discounted cost because they subsidize the balance of the cost of the phone through monthly charges.

That means that a smartphone that retails for $600 might cost you $200 upfront, while the remaining $400 is financed through the plan.

Other companies may require you purchase a device outright, meaning you will have to lay out the $600, but then you will have a lower monthly bill for the plan.

Essentially, it boils down to whether you want to pay a lump sum now or spread out the cost of the new device over several months.

Keep in mind that phones and networks are not always compatible.

Network technology and how the phone interacts with a given network will determine if a phone and network are compatible.

Therefore, if you plan to purchase a phone outright, investigate if the phone will be cross-honored on another network if you decide to change later on.

Weigh your options regarding credit and debit cards

Credit and debit cards are how many people make their purchases, both big and small. Many people would rather swipe a card at the checkout counter than count cash.

These cards offer unmatched convenience and can help keep receipts organized and purchases accountable with minimal effort.

But credit cards and debit cards are not perfect. One of the biggest disadvantages to using cards to make all purchases is the tendency to lose track of your spending.

When paying with cash, consumers can visibly see the money leaving their pockets and know when that money has run out.

Paying by card is an abstract concept that doesn't become real until bills are received or bank statements are reviewed.

Although debit and credit cards are frequently used interchangeably, there are times when one is preferable over the other. Here's how to decide which card to use.

■ Need to build credit? Use a credit card if you are trying to establish a positive credit history.

However, you must pay your bill in a timely fashion, and it helps to pay the entire balance each and every billing cycle to develop a good credit score.

■ Don't want a large monthly bill? Debit cards withdraw money directly from your account at the moment the transaction occurs.

Much like spending with cash, debit cards let users know when they have run out of cash, as cards will be denied if the transaction is not approved

If you do not want to pay a large bill at the end of the month, debit cards are the better choice.

■ Prefer greater security? Great strides have been made to thwart would-be identity thieves and keep financial data safe. However, as was evidenced by the major data breach in Target's payment system in late 2013, when millions of credit and debit card numbers and PIN codes were hacked, no system is entirely foolproof.

Credit cards offer added security because if fraudulent purchases are made, your credit card account will be quickly frozen and you will not be held accountable.

When using debit cards, you are spending your own money up front. Fraudulent purchases may be fixed over time, but it could leave a deficit in your account until matters are resolved.

■ Want to minimize fees? Debit cards do not charge interest or minimum charge penalties. There's no need to worry about being late for a payment and getting charged a fee, and causing your balance to skyrocket.

Gas stations and other retailers that may charge more per purchase for using credit cards will treat debit cards like cash and offer the same discounts.

■ Enjoy perks? Credit card companies will sell you their card over another based on various perks

In addition to competitive interest rates, perks may include being able to accumulate travel points, cash-back dollar amounts, advanced ticketing offers for shows and sporting events, discounts and coupons for certain retailers, and many other benefits.

More and more consumers are relying largely on credit cards and debit cards to make their purchases. Each type of card has its benefits and disadvantages, so consumers must weigh their options to determine which type of card works best for them.

DID YOU KNOW?

■ According to Age in Place, nearly 60 percent of available senior income is being spent on housing and healthcare, and those expenditures do not include transportation or food. The rising costs of many necessities can make it difficult for seniors to make ends meet and, as a result, certain money-saving measures are often necessary. One idea to save money is to shop for food on a full stomach. It's a fact that people buy less when they're full, as they are not prone to impulse buys to squash hunger pangs.

■ A credit score is a number lenders use to determine the risk associated with lending a particular individual money. Credit scores are sometimes even used by landlords to determine whether or not to allow prospective tenants to move into their properties. Many factors combine to determine an individual's credit score. Payment history, which considers if individuals made payments on time or, if they were late, how late they were in making their payments, bears significant weight. Any bankruptcies, charge offs, debt settlements, foreclosures, or liens will also be considered when a person's payment history, which some financial professionals suggest accounts for as much as 35 percent of an individual's credit score, is examined.

Other factors that are considered when determining credit scores are amounts owed, length of credit history and the types of credit, such as credit cards, installment loans and mortgages, currently in use.

■ The word millionaire was first used by Benjamin Disraeli in his 1826 novel Vivian Grey.

■ If you stack one million U.S. $1 bills, it would be 110m (361 ft) high and weight exactly 1 ton.

■ A million dollars' worth of $100 bills weighs only 10 kg (22 lbs.).

■ One million dollars' worth of one-cent coins (100 million coins) weigh 246 tons.

■ TIP is the acronym for "To Insure Promptness."

■ In gambling language, for a gambling house a "surething" is a wager that a player has little chance of winning; "easy money" is their profit from an inexperienced bettor, an unlucky player is called a "stiff."

DID YOU KNOW?

■ The term “smart money” refers to gamblers who have inside information or have arranged a fix, the gambling term for insuring the outcome of an event by illegal methods.

■ Small-time gamblers who place small bet in order to prolong the excitement of a game are called “dead fish” by game operators because the longer the playing time, the greater the chances of losing.

■ The term “Blue Chip” comes from the color of the poker chip with the highest value, blue.

■ Nessie, the Loch Ness monster is protected by the 1912 Protection of Animals Acts of Scotland. With good reason – Nessie is worth $40 million annually to Scottish tourism.

■ Of the more than $50 billion worth of diet products sold every year, almost $20 billion are spent on imitation fats and sugar substitutes.

■ In 1920, the annual spend on advertising in the US was $2.4 billion; in 1960 it was $11.9 billion; in 2000, $247.7 billion. In 2010 it had grown to $412 billion.

■ Annual global spending on education is $1.1 trillion. Annual global spending on military is $1.3 trillion (45% by USA).

■ U.S. and European expenditure on pet food is $17 billion per year.

Self-Employed? Don’t forget these tax-filing tips

By JASON ALDERMAN
www.practicalmoneyskills.com

Calculating income taxes is a royal pain, even when your situation is uncomplicated enough that you can file a 1040EZ Form. And if you're self-employed, be prepared for extra layers of complexity. Not only must you file an annual return with numerous additional forms and schedules, you're also responsible for paying quarterly estimated taxes, which can mean having to write a pretty hefty check while waiting for your clients to pay their overdue bills.

Add in that you're also responsible for funding your own health insurance and retirement and you may start to miss having an employer manage a portion of your financial affairs. (Although many people go into business for themselves precisely to call their own shots.)

Here are a few things to remember when calculating your 2013 taxes:

First, some potentially good news for taxpayers who claim a home office deduction: You now may choose between the traditional method of calculating the business use of your home (which involves numerous calculations, filling out the onerous IRS Form 8829 and maintaining back-up records for years) and a new simplified option.

Under the new, so-called "safe harbor" method, you can simply claim a standard deduction of $5 per square foot for the portion of your home used regularly and exclusively for business, up to a maximum of 300 square feet — a $1,500 limit.

Contrast that with the traditional method where you must calculate actual expenses of your home office expressed as a percentage of the square footage your home office consumes. For example, if your office takes up 12 percent of your house, you can deduct 12 percent of your electricity bill.

A few additional details:

■ You can choose either method from year to year; however, once you’ve elected a method for a given tax year it’s irrevocable.

■ Under the safe-harbor method you cannot depreciate the portion of your home used for business in that particular year.

■ With the new method you can still claim allowable mortgage interest, real estate taxes and insurance losses as itemized deductions on Schedule A. These deductions don’t have to be allocated between personal and business use, as under the traditional method.

You’ll need to weigh whether the recordkeeping hours you save justify the potentially smaller deduction – especially if you have a large home office or considerable deductions. Suggestion: Look at last year’s deduction and compare what it would have been using the $5 per square foot calculation, factoring in time spent doing the math.

A few other self-employment tax-filing considerations:

■ In addition to the home office deduction, you generally can deduct many other business-related expenses, including: legal and accounting fees; professional dues and subscriptions; business insurance and licenses; professional training and education; professional equipment and software; maintenance/repairs; and business-related mileage, travel and entertainment.

■ You can also deduct the full cost of medical, dental, vision and long-term care insurance premiums for you, your spouse and dependents, even if you don’t itemize deductions.

■ For more details on business expenses and deductions, see IRS Publication 535 (www.irs.gov). Also visit the IRS’ Self-Employed Individuals Tax Center.

Bottom line: Income taxes are often more complicated for self-employed people and good recordkeeping is essential. Unless you’re an accounting whiz, consider hiring a tax professional or financial planner who specializes in self-employment issues.

The penalties and fees they can help you avoid — and hidden deductions they can uncover – will probably more than pay for their fees.

Psychologists are helping young couples stay afloat

www.apa.org

Troubled young couples who see Brad Klontz, PsyD, in his Kapaa, Hawaii, psychology practice often end up talking about more than their relationship with each other: They find themselves discussing their relationship with money, too.

"Some of the symptoms bringing them in — feeling depressed, feeling anxious, having panic attacks — they may not know how much the role of money is playing in those symptoms," says Klontz, a clinical psychologist and certified financial planner.

Unprecedented levels of student debt, high credit card debt and a dismal job outlook have presented some young couples with financial challenges their parents and grandparents didn't have to face. These days, more psychologists are stepping in to help couples tackle their financial burdens. Money stresses are nothing new for couples just starting out, but trying to resolve them in therapy is.

"There is a much greater awareness now among general psychologists that this is a very important issue to explore," says Philadelphia psychologist Maggie Baker, PhD, also an expert in financial issues.

To respond to the growing need for psychologists to talk to their clients about money management, Atlanta financial psychologist Mary Gresham, PhD, is spearheading an effort to launch an APA division of financial psychology. She's circulating a petition supporting its creation, and financial planners welcome her efforts.

"A trained, educated psychologist is a necessary component in certain financial planning relationships," says Paul Auslander, president of the Financial Planning Association. Some couples can benefit from behavior modification techniques to curb runaway spending or make spending compromises, he says. "But I suspect that there aren't enough financially trained psychologists to help couples coping with recession repercussions."

Combining households, combining money

A common scenario that brings on financial turmoil for newlyweds is that although they may have lived together before marriage, they failed to discuss their financial union before they said "I do," says Gresham. "They had operated under the roommate plan, where each one pays half of the expenses or one pays one set of bills and the other pays another set," she explains. But as they settled into married life, neither spouse knew what was going on with their partners' money. "Then they can't figure out how to collaborate, how to mix the money together."

Gresham looks at four issues with every couple: "math," values, emotions and process. To begin helping couples work through these issues, Gresham asks the couple to take an objective look at how they spend their money, using tracking software so they can see how their income is distributed among rent or a mortgage and other commitments. Baker takes a similar approach in beginning her work with couples. "It's important to get facts into the room," she says.

Seeing how much cash disappears in a $4 latte or a meal out can be a sobering experience. "The emotions start to come in all through this process," says Gresham. That's when she probes more deeply, asking couples about how their perceptions of money growing up affects them as adults. For example, children of cash-careful families may hoard their money as adults, while free-spending families may have kids who later on can't hang on to a paycheck. The reverse can happen, too.

"If a spender marries a hoarder, over time there's bound to be conflict," says Baker. "The spender loves the immediate gratification of spending, but for a hoard-

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DID YOU KNOW?

- In 1900, the price of gold was less than $40 per ounce. It reached $600 in 1930. In 2009 it reached $1,000 per ounce.
- Tobacco is a $200 billion industry, producing six trillion cigarettes a year – about 1,000 cigarettes for each person on earth.
- In 1965, CEOs earned on average 44 times more than factory workers. In 1998, CEOs earned on average 326 times more than factory workers and in 1999, they earned 419 times more than factory workers. The gap has remained more-or-less at 400 times.
- The income gap between the richest fifth of the world's people and the poorest measured by average national income per head increased from 30 to one in 1960, to 74 to one in 1998.
- Between 1998 and 2005, two thirds of U.S. corporations and 68% of foreign corporations operating in the U.S. paid no taxes at all.
- A third of the world's people live on less than $2 a day, with 1.2 billion people living on less than $1 a day.
- In the 17th century, wool fabrics accounted for about two-thirds of England's foreign trade. Today, the leading wool producers are Australia, New Zealand, Argentina and China.
- The NASDAQ stock exchange was totally disabled one day in December 1987 when a squirrel burrowed through a telephone line.
- Tourism is the world's biggest industry, affecting 240 million jobs.

5 ways to attract money

www.forbes.com

You're a young company with an interesting product in development. You've watched a few startups rise to glory, watched others crash and burn. Undeterred, you're sure you can make it.

All you need is a bit of cash to get on a growth track and inch closer to profitability and success.

But how do you go out and get that growth capital?

You could bootstrap it by cutting your expenditures down to almost zero, living on dehydrated noodles and doing laundry at mom's place, but that will only go so far.

There's always crowdfunding, but to get any attention doing that you need a seriously unique or wacky idea like or a shake that replaces food or a film about Nazis living on the moon.

There's always a bank loan, but even if you can get it that's just money with interest attached and it would be great to get cash plus contacts and guidance. Venture capital is always an option.

"I see a healthy venture capital market for startups," said Charles River Ventures' George Zachary, who led his firm's investment in Yammer (acquired by Microsoft Microsoft for $1.2 bln. last year). "I don't see any shortage in venture investors wanting to fund startups."

Maybe venture capital or angel funding is the way to go. But how do you make the bigwigs at a venture capital firm deign to cut you a check?

Here are some tips that may help you fund your enterprise:

1. Disrupt Something

Getting in between an established competitor and its cash cow is tough, but lucrative when you can pull it off.

Disruptive products and technology can help your company eat the lunch of the bigger players in your space and if you can convince an investor that your business model can accomplish that – even a little bit – that investor will see the rewards and be more willing to help you grow your idea.

"We're looking for truly non-linear companies that disrupt large B-to-C and B-to-B markets," says Jason D. Whitmire, a partner with Earlybird Venture Capital. "Usually these teams have to have a very strong (tech) DNA. That means technology at their heart. Ideally they're all very techy people. Increasingly, I think, businesses that build engagement or networks leading to a high degree of defensibility are extremely attractive."

2. Have A Touch Of Experience

It's not necessarily expected for startups to be filled with battle-hardened business veterans, but having a couple on your team that have seen a funding round or two at other young companies definitely doesn't hurt.

Venture capital firms feel better if they know they're not handing a wad of money to a roster of newbies.

"Guys and gals in the 20s produce some phenomenal stuff but typically we've seen that out hold periods – the lengths that a venture capital company sits on an investment – are dramatically shortened with one or two people who have played the game before," Whitmire said.

Zachary agrees: "These people know that this is not necessarily going to be easy all of the time and to expect the need to continuously stay focused on the reality of the business, on the day-to-day metrics and realizing that there's usually a winner that takes all and wins most of the valuation in a market space and that being number two or three is really not a great place to be."

3. Be Efficient, If Not Profitable

Profitability is milestone you won't forget and a major sign that your young company is on the right track. But it is not necessary to attract venture money or angel interest.

In fact, most investors would not even expect you to be profitable if you operate in certain spaces.

You may be losing money but remember that how you deal with the money you are making can show how cost conscientious and efficient you are.

Those spending tendencies and professionalism will send a message to those contemplating an investment in your startup.

Growth is paramount and having a burn rate of below $200K per month for a company of 12 employees or less is compelling.

"That's gonna be the sweet spot," Whitmire said. "Once we've figured out how the engine works – figured out what the return is for every marketing and sales dollar spent – that's where you can pump it up and go a half million burn a month. As long you're truly growing."

4. Play To Enterprises But Don't Forget Consumers

Enterprise products are thought to be a safer return on investment but the prospect of a big exit with a consumer services company will not go unnoticed by VC.

Following Facebook Facebook's disappointing IPO, consumer mobile and internet firms were thought by investors to be a less sure bet. Focus shifted to enterprise companies, evidenced by acquisitions of Yammer by Microsoft, Meraki by Cisco Systems Cisco Systems, and some IPOS.

"It's easier to invest in an enterprise company than a consumer company but its easier to get a crazy exit valuation on a consumer company because there're billions of potential users on the internet of consumer products," Zachary said. "And that's not quite true with enterprise."

"These (software as a service-based) business models tend to have more stability associated with them, they tend to be more recurring-type models so there's probably better forecastability in those businesses than there might be for certain consumer businesses," said Deven Parekh, managing director of Insight Venture Partners. "But returns are something you can only ultimately measure over time."

5. Play The Global Game

Don't be afraid of taking meetings with overseas money. Venture firms and investors in other countries are just as interested in making money on your company as those that call Silicon Valley and New York their hunting grounds.

"I see more foreign capital chasing later stage companies, both on the consumer and enterprise side" Zachary said. "I see more foreign capital wanting to be investors in venture funds, even though the vast majority of venture funds are money losers." The overseas VC impact on early stage companies is not as profound, he added, but that could change. "If the public market repeats what it did in 2000, we could see funds from all over the world making these early stage investments."

Money-savings tips for seniors

By JASON ALDERMAN
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We all love a good bargain, no matter what our age. But if you're a senior citizen on a fixed income, finding discounted goods and services can mean the difference between making ends meet and going without.

The good news is that tons of senior discounts are available – often for people as young as 50. One caveat right up front: Although many senior discounts are substantial, you sometimes can find better bargains – especially on travel-related expenses like airfare, hotels and rental cars. So always do your research first before requesting the senior rate.

Here's a roundup of some of the best senior discounts I've found:

An AARP membership costs only $16 a year for anyone over age 50, including free membership for spouses or partners (www.aarp.org). AARP's discounts website features discounts on dozens of products and services including rental cars, hotels, restaurants, clothing and department store chains. AARP also offers an inexpensive driver safety course for drivers over 50 (members and nonmembers alike) that can lower auto insurance premiums by up to 10 percent or more.

Popular AARP discounts include:

■ 20% discount on installation or upgrades to ADT home security systems.

■ 45% off membership to Angie's List.

■ 20% off purchases from 1-800-FLOWERS.com.

■ Up to 25% off car rentals from Avis and Budget.

■ Up to 20% discount at many hotel chains including Hyatt, Hilton, Wyndham, Best Western, Days Inn and Ramada, among others.

■ 10 to 20% off at many restaurant chains, including Claim Jumper, Denny's and Outback Steakhouse.

■ 15% off many Geek Squad services from Best Buy.

■ A free 45-minute consultation with an Allstate Legal Services Network attorney, as well as 20% off member attorneys' fees.

A quick Google search will uncover numerous other senior discount resources. One popular site is SeniorDiscounts.com, an online directory of more than 220,000 U.S. business locations that offer discounts to people over 50. Registration is free, although they also offer a $12.95/year premium that offers members-only discounts and other perks. Other good sites include Brad's Deals, Sciddy.com and Savvy Senior.

Other commonly available senior discounts include:

■ A 15% discount on the lowest available rail fare on most Amtrak trains for travelers over age 62.

■ Greyhound offers a 5% discount on unrestricted fares (over 62).

■ Southwest Airlines offers senior fares (over 65). Although not necessarily their lowest available rates, Southwest's senior fares are fully refundable.

■ The U.S. Geologic Survey senior pass (over 62) provides free lifetime access to more than 2,000 government-managed recreational sites (including national parks), as well as discounts on camping and other amenities. Senior passes cost $10 in person or $20 by mail (http://store.usgs.gov/pass/senior.html).

■ Both Walgreens and Rite Aid offer monthly senior discount days for members of their rewards programs when most non-prescription items are 15 to 20% off. Ask your neighborhood pharmacy if they offer similar programs.

In addition, many restaurants, department stores, movie theaters, museums, theme parks, banks, credit card issuers, utilities (including gas and electric, water, garbage, telephone and cable) and other businesses offer special discounts or promotions for seniors. Always ask before your purchase is rung up.

Bottom line: Abundant resources are available to help seniors save money on purchases large and small. You just have to do a little research – and ask whether senior discounts are available.

Remember, 10% here and 20% there can really add up.

DID YOU KNOW?

■ The global expenditure on health care and nutrition is $2.1 trillion.

■ In 1998, US states spent $30 billion in funds on correctional services and $24 billion on social welfare.

■ Money notes are not made from paper, it is made mostly from a special blend of cotton and linen.

■ In 1932, when a shortage of cash occurred in Tenino, Washington, USA, notes were made out of wood for a brief period. The wood notes came in $1, $5 and $10 values.

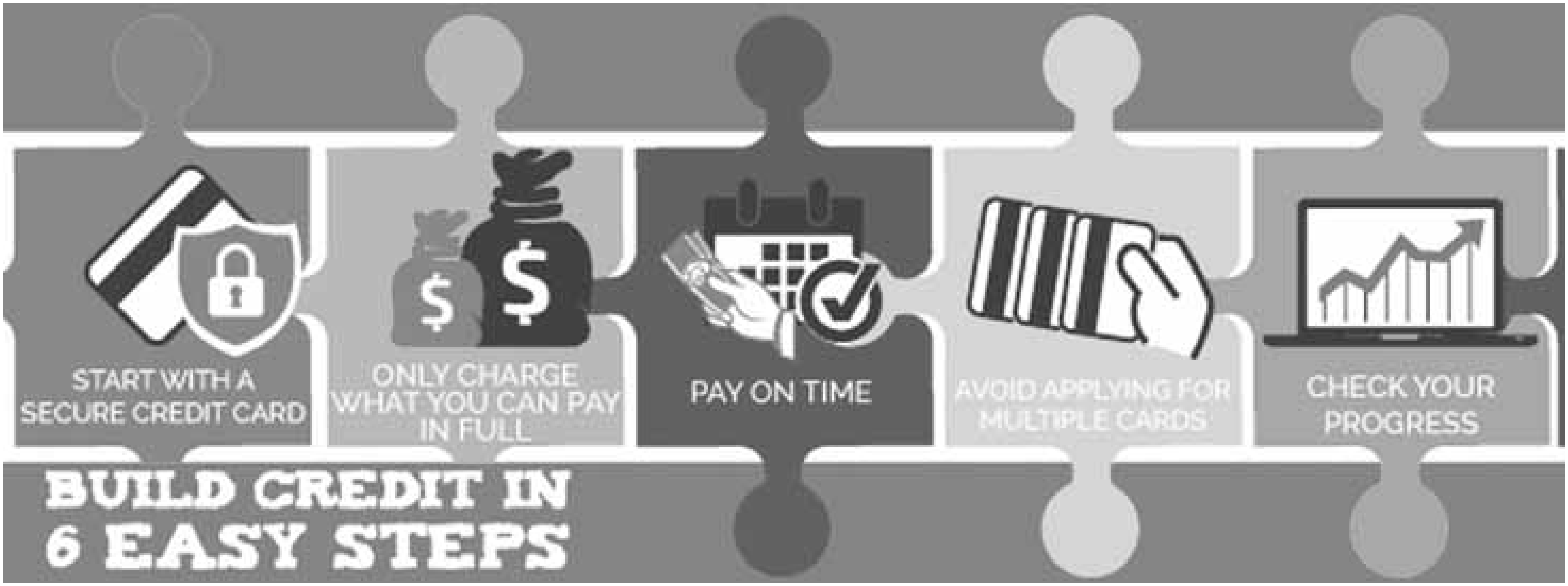
■ The world's largest coins, in size and standard value, were copper plates used in Alaska around 1850. They were about a metre (3 ft) long, half-a-metre (about 2 ft) wide, weighed 40 kg (90 lb), and were worth $2,500.

■ The first credit card was issued by American Express in 1951.

■ About 30% of consumers use their credit card as their main means of buying Christmas goodies, 70% do not save to buy Christmas gifts and 86% of consumers do their Christmas shopping during December.

■ Excessive use of credit is cited as a major cause of non-business bankruptcy, second only to unemployment.

■ Statistics show that people with high, medium and low income groups spend about the same amount on Christmas gifts.



www.quizzle.com

If you've never had a credit card or a loan, your credit history is a blank slate. Your credit history, as documented on your credit report, is a record of how responsibly you've repaid money you've borrowed.

Creditors and lenders use your credit history to make decisions about whether to give you a credit card or extend a loan.

However, if you have no credit history, there's no record of how you might manage debt. As a result, many creditors and lenders won't lend you money.

It may seem like an impossible loop, but there are ways to build credit when you have no credit.

Here's how in six easy steps.

1. Get a secured credit card.

A secured credit card is just like a "regular," or unsecured credit card, only you are required to put down a security deposit – typically \$300 to \$500 – to provide assurance to the creditor that you will repay your debt. Your credit limit is often the amount of your security deposit, or a percentage thereof. Many people confuse a secured credit card with a debit card, however the two are very different.

First, banks do not report debit card usage to the credit bureaus, as a debit card is not an extension of credit. A debit card is merely a convenient way to access the funds in your bank account.

Creditors typically report secured credit card activity to the credit bureaus, as a secured credit card is an extension of credit. Your purchases are not deducted from your security deposit. Rather, each time you charge something, you are effectively borrowing money from the credit card company and are obligated to repay that debt. As a result, how responsibly you use a secured credit card will affect your credit score – both positively and negatively.

2. Only charge what you can afford to pay off in full.

Building credit means consistently demonstrating your ability to pay back any money you borrow.

Your goal is to prove to creditors and lenders that you can responsibly manage debt. That's why it's smart to start small – Only charge purchases that you can afford to pay off in full every month.

Unfortunately, it's not enough to open a credit card and sit on it. If you don't use your credit card, you're not demonstrating anything. Use your card at least once a month for small purchases like inexpensive meals, gasoline and drug store essentials.

Try to not charge more than 50 percent of your credit limit in a given month however, as that can take a toll on your credit score.

3. Pay on time every month.

The most important thing you can do to build and maintain a good credit score is paying all of your bills and debt obligations on time every month. Even one late payment can significantly damage your credit score, especially early on.

4. Avoid applying for numerous accounts.

Each time you apply for a credit card or loan, your credit score takes a small hit. And there's no point to chipping away at a credit score you're trying to build up, especially when you haven't yet demonstrated that you can handle just one credit card. Instead, use that energy to prove to yourself that you can keep the balance low on one credit card and pay the bill on time every month.

5. Check your progress by checking your credit report and score.

After six months of timely credit card payments, check your status by viewing your credit report and score.

Pay special attention to what's on your credit report and any positive or negative factors listed, so you have a better idea of what you need to work on next.

Also make sure to take a look at your credit score – It will help you make sense of your credit report and give you an idea of how well you're doing.

To take a peek at your credit report and score for free, check out Quizzle.com. Quizzle's the only site that will give you both for free, no strings attached, no credit card required.

6. After a year, apply for an unsecured credit card.

Twelve months of timely payments should be enough to show your credit card company that you can responsibly manage debt.

Now's the time to give your creditor a call to see if you can make the switch from a secured credit card to an unsecured credit card.

An unsecured card frees you from your security deposit obligation, will likely carry a higher credit limit and may offer useful perks like reward points.

The key to building credit is patience. Remember that having a good credit score is like having the world's best coupon book for all the biggest financial transactions in your life.

It may take time to establish good credit, but once you do, you'll reap the benefits of big savings.

Young

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er it's almost painful to spend money."

A generational change

In Hawaii, Klontz is conducting research to understand couples and their finances, surveying 422 adults ages 18 to 80, with varying levels of income, education and net worth. His research, published last year in the Journal of the Financial Therapy Association, shows that younger adults are more likely than their parents or grandparents to have potentially damaging "money scripts"—subconscious beliefs that drive their financial behaviors. He found that adults 30 years old and younger were most likely to be "money avoiders" who become anxious, fearful or even disgusted when the conversation turns to money. Younger adults also were more likely to equate net worth with self-worth and to believe that the more money they have, the happier they will be.

These beliefs, Klontz says, are linked with lower income and net worth. People with these views may set themselves up for financial failure by simply ignoring money issues, giving assets away, gambling excessively or compulsively buying things they want but can't afford. "Very often in my work with couples, conflicts over money are really the result of conflicting money scripts," he says.

He uses a psychodynamic approach to examine clients' experiences with money in childhood. Living with a workaholic parent who pursued an ever-bigger paycheck but never was at home or being in a family that neglected life's necessities because parents hoarded cash could trigger present-day money troubles. "The more emotional the experience, the more rigidly these beliefs become locked in place," Klontz says.

Healing begins, he says, when a couple can open up to each other and be empathetic. "They may have very different attitudes about money, but if they can hear each other and respect each other, then they can come to a compromise" about sound money management.

"They become a money team instead of money adversaries," Gresham adds.