



February 2007

Email? You can get more meaning with a person-to-person conversation

Email has a lot of advantages.

You can reach people without having to find them first. You don't have to bother with initial pleasantries, and everyone knows that your brief message doesn't have to be nice. It just has to be factual.

But email has taken over business communication in ways that would be better handled by face-to-face contact. Telephone contact works almost as well. How many times have you changed the tenor of what you will say next because of the reaction to your last statement?

Would a problem with a customer be handled more quickly if the customer's response was immediate? The nuance of the spoken voice includes information you would miss with electronic communication.

One major organization has initiated "no-email Fridays" and encourages people to pick up the phone for a conversation on any day of the week or to see others in person.

The company says that within a few months' time, they experienced better problem-solving, better teamwork, and happier customers.

According to New York University's Stern School of Business, as few as half of recipients get the tone or intent of an email. And most people "vastly overestimate" their ability to relay and comprehend messages accurately.

At Syracuse University, they say misinterpretation is highest when the email comes from a boss.

Tips for first-time home buyers

The process of buying your first home actually starts months before finding the place you want. Some things to do:

* Pay down your debts, or pay them off if you can. Prospective buyers often concentrate on accumulating the largest possible down payment. Using any extra money to eliminate credit card or other high-interest debt is smarter.

* For some first-time buyer programs, a down payment of 3 percent of the loan or less is required.

* Credit-card debt will limit how much you can borrow. Lenders won't allow total monthly debt service to exceed 40 percent of gross income.

* How much house can you afford? Mortgage companies say the annual mortgage payment, taxes, and homeowner insurance shouldn't exceed 28 percent of gross income.

* When determining how much cash you have for a down payment, be sure to consider closing costs plus a little extra for emergency repairs once you move into your new home.

Less-than-perfect credit

* Thanks to Fannie Mae's "expanded approval" program, buyers with slightly blemished credit can qualify for mortgages at competitive rates. The rates are as much as two percentage points lower than alternative financing.

* If you can't qualify for Fannie Mae, you may still qualify for an FHA-insured loan. They are geared toward buyers with low-to-moderate incomes.

Down payment assistance

Each year HUD gives states and municipalities money to distribute to families for housing. Much of it is put toward down-payment assistance programs. Many young prospective home buyers may qualify for a grant worth 3 percent to 5 percent or more of the sale price to put toward their down payment.

Get real about saving some money

A rainy day could come your way

You might be surprised to know how many people live comfortable lives but have saved little or nothing.

Most believe that if they made more money, they would save. But it doesn't work that way. When the raise comes, they increase their spending instead of saving. That's why there are six and seven figure earners who are broke and in debt.

They may think saving deprives them of something. They fail to understand "pay yourself first" and don't consider the consequences of going further into debt when a cash need arises.

If you are among the non-savers, get your emergency plan on track. With many responsibilities, it might seem difficult or pointless to save just \$20 or \$30 a week. But within a year, \$20 a week comes to more than \$1,000.

If you consider your spending habits, however, you might find that you spend \$5 or \$10 per day on things you don't really need. Whatever you can put together, start setting it aside in an emergency fund. Having money automatically saved from your paycheck is an easy way to start.

People may say the way to security is to come into a lot of money or get a big increase in their income all at once. But that won't do it. People who handle money wisely, and people who don't, are found at all income levels.

Valentine cards

180 million Valentine cards are exchanged annually: Hallmark Research. (Excludes classroom cards).

Beauty helps charities

Giving to a good cause was the theme in holiday sales of beauty products. MAC's Viva Glam program has helped raise \$80 million for AIDS charities in this and previous years. Kiehl's supports YouthAIDS, giving it all the profits from sales of its popular Grapefruit hand-and-body cleanser. The company has raised more than \$300,000 for the cause.

Eyelash extensions

The Japanese cosmetics company Shu Uemura's feather eyelashes have joined the vamped-up look. For \$350, a lash stylist will apply an extension to each individual lash. They're expensive but last for a month or more.

Take time for the fun stuff!



Top Ways to Celebrate Valentine's Day

65% buy a Valentine's Day card.

44% arrange a special evening.

38% buy sweets for their sweet.

32% bring flowers and blossoms.

29% thoughtfully enclose a gift card.

Source: US Census Bureau

February Birthdays

- 1, Lisa Marie Presley, singer, 1968.
- 2, Farrah Fawcett, TV, movies, 1947.
- 3, Fran Tarkenton, Hall of Fame football, 1940.
- 4, Oscar de la Hoya, boxing champ, 1973.
- 5, Hank Aaron, Hall of Fame baseball, 1934.
- 6, Mike Farrell iM*A*S*H actor, 1939.
- 7, Garth Brooks, country western singer, 1962.
- 8, John Grisham, author, 1955.
- 9, Carole King, singer, songwriter, 1942.
- 10, Mark Spitz, gold medal swimmer, 1950.
- 11, Leslie Nielsen, Naked Gun actor, 1922.
- 12, Joe Garagiola, sportscaster, player, 1926.
- 13, George Segal, movie actor, Great Neck N.Y., 1934.
- 14, Carl Bernstein, journalist, author, 1944.
- 15, Matt Groening, cartoonist, 1954.
- 16, John McEnroe, Jr., tennis player, 1959.
- 17, Michael Jordan, basketball player, 1963.
- 18, John Travolta, actor many movies, 1955.
- 20, Bobby Unser, auto racer, 1934.
- 21, Kelsey Grammer, many movies, 1955.
- 22, Steve Irwin, The Crocodile Hunter, 1962.
- 23, Edward iToo Talli Jones, football, 1951.
- 24, Paula Zahn, newscaster, 1956.
- 25, Larry Gelbart, writer, producer, 1928.
- 26, Fats Domino, singer, songwriter, 1928.
- 27, Elizabeth Taylor, actress in many movies, 1932.
- 28, Mario Andretti, auto racer, 1940.

We hoped you enjoyed this issue – see you next month!

MONEYWISE

Banks surf databases for identifying facts

Your name, address, and telephone number are no longer unique identities. Identity thieves can "phish" those and your social security number as well.

Banks and retailers are starting to rely on facts you never told them but that they were able to pull from public and private databases. You might be surprised when your bank asks the color of your car, your father-in-law's name, and the city you lived in five years ago.

Chase, HSBC, Vanguard, American Express, Barclaycard US, and others use the new customer verification technique. It has been adopted by the nation's top banks and thrifts.

When buying an expensive ring for his fiancée, one New York credit card holder was asked six questions.

Lump sum pension danger

According to an AARP Policy Institute report, of workers who retired in 2003 and took pensions in a lump sum, 54 percent had spent it all by August 2006.

No time for 20-somethings to be playing it safe

In their 20s, many people are burdened by college debt, home loans, and the expense of starting a family. It's a wonder that they contribute anything to their 401(k) accounts, but they do. A survey by Fidelity Investments, however, shows their nest eggs are linked to low-yielding bonds and money market-funds.

But this generation of workers has the most to gain by compounded returns. To build their retirement funds, they should invest in a diversified portfolio.

The Wall Street Journal's Jeff Opdyke says these are the 401(k) basics:

- * Put in enough to get your employer's maximum matching contribution.
- * In their 20s, they should have 70 percent of their account in stocks.
- * Avoid the plan's default option. If it's a money-market or stable-value fund, returns will be low.

Protect your laptop, data

Whether you travel with your laptop, leave it at work, or carry it home, it could be stolen. According to Symantic, a laptop is stolen every 53 seconds in the U.S. and 97 percent are never recovered. A good idea: physically bolt your laptop to a secure object.

Loss of the laptop is hard to take, but it is a replaceable item. The data on the laptop may not be. That may include financial records, private documents, or irreplaceable photos.

Encryption: At security software maker Pointsec Mobile Technologies, they say people think password protection is enough, but it isn't. They recommend encryption programs, which require very strong passwords. You can check out encryption programs before you buy at download.com.

Backup: Backing up valuable information, especially while traveling, is important. Flash drives that snap into a laptop's Universal Serial Bus (USB) are tiny, fast, and inexpensive. But they are a good solution to protecting data. They range in price from about \$55 for 1 gigabyte of memory to \$80 for 2 GB. Hot-spot danger: When logging online at a wireless hot spot such as a hotel or cafe, be aware that you might not be logging into a valid network.

Phishers or hackers position themselves near hospitals, companies, and coffee shops. According to Sentillion, a data-security company, thieves prowl personal data to use in identity theft.