

due. "Always pay on time," warns Madden, "whether it's the phone company, the electric company or your car payments. You don't want any bad ticks on your credit report, and you don't want to get into the habit of financial irresponsibility."

CASE IN POINT

Barbara Palanczchick is a third grade teacher in a Midwestern school district (she asks that we not mention the town in which she works) who has developed a reputation among her friends and students for coming up with creative ways to save money.

"It started when I told my class my habit of emptying my pockets and purse of all loose change at the end of the day," the 27-year-old Palanczchick remembers. "I would collect it all in one big jar and by the end of the week I would usually have 10 to 15 dollars saved up. By the end of the year that came usually to 600 dollars or so."

Palanczchick split the cost of a car with her roommate, an actress, when it dawned on the two women that their driving needs hardly overlapped. "I would use the car during the week to get to work," Palanczchick says, "and she would use it pretty much on weekends when she had to appear out of town. It was a way for me to have full use of a car to suit my needs, for only half the price."

With an \$18,200 salary, Palanczchick finds she has to budget her take home pay carefully. She keeps a careful ledger of all her expenses, down to the quarters that escape her change bottle for a candy or a newspaper. When she realized how much money she was spending each week on cigarettes (\$7.50), she quit smoking. "It was too expensive," she says.

"I don't mean to sound cheap or that I'm living any kind of hand to mouth existence," Palanczchick explains. "It's just that it makes sense to get the most mileage out of your money. If there's a way to save even a few dollars over the course of a pay period, then I think you should do it. Otherwise you're wasting money."

Palanczchick calls on professional advice to help her save, but she finds a bargain in this area as well—her brother-in-law serves as her accountant, her best friend's husband handles legal matters, free of charge. "I have people helping me manage my income and it's not costing me anything," she says. "It's an ideal situation, but my experience is you can always find someone to help you out in all professions, whether it's through a friend of a friend, or whatever." Palanczchick says she returns the favors wherever she can, by babysitting, running errands, or referring new clients.

Lately, Palanczchick has been living on her own, but she is looking for a new roommate to help defray costs. "It's amazing how much cheaper it is for two people to live than one," she marvels. "Even your food bills are cheaper."

Her attention to detail is so far paying off. "I've had an IRA for three years now, my school district covers all medical expenses. When I had car insurance to worry about, I only paid half, and I don't carry too much in the way of a homeowner's policy because I rent and I don't own many things.

"I think maybe I'm a little extreme to hold up as an example, but I would tell people just starting out to err on the side of caution, rather than spend recklessly. I know too many people who get out of school and look at their first pay check, however small, and say, 'Wow! Look at all this money!' The thing is, it's not all that much money, it never is, and if you want to stay afloat on most salaries, you've got to be careful. It pays to be careful."

TAXES

**"Let me tell you how it will be,
There's one for you, nineteen for me."
George Harrison
"Taxman"**

Death and taxes have everything else beat when it comes to sure things, and since there's hardly a thing you can do about the former, you may as well do what you can about the latter.

For most of you, taxes—federal, state, local and social security—will be assessed automatically against your weekly salary, and deducted from your paycheck by your employer. This is neither a good thing nor a

will signal a recounting of all of your expenses and deductions in a frantic effort to regain your hard earned dollars in the form of a tax refund.

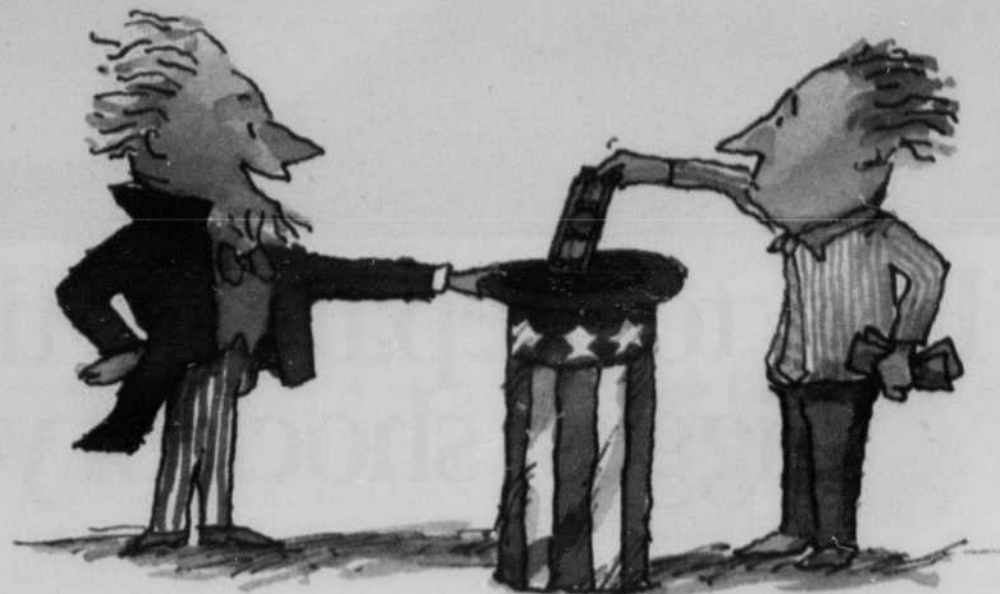
To this end, you might want to consider the services of an accountant or an income tax preparation consultant. A tax consultant will assist you solely in the preparation of your tax forms, for a modest fee. There are several national tax consulting franchises that offer one-time preparation assistance on a while-you-wait basis.

An accountant's services go beyond tax preparation. "An accountant can almost always save you money," says Jeffrey A. Stern, author of the just-published *How To Become Financially Independent Before You're 35*. "You might think if you're single, with only one source of income, you don't need an accountant's services. But an accountant is more familiar with the tax laws than a lay person could ever be."

In most cases you'll find an accountant's fee will not exceed a few hundred dollars (it's also tax deductible), and a smart professional will probably save you enough to cover the payment.

Below, Stern offers his guidelines on what to look for, and what steps to follow, in selecting an accountant:

- 1. Start looking long before tax time. "The only way an accountant can really help you is if he has enough time to devote to your needs," Stern says.**
- 2. Look for someone with good judgment; often, it's smart to rely on the**



bad thing, just something you should be well aware of before going to your first job.

Most of you, then, will simply be tying up loose ends with the Internal Revenue Service at income tax time, assuming the bulk of your income comes from your one salaried source. If you're like most tax-paying Americans, the end of the tax year

- recommendation of friends in assessing the character of a potential accountant. "Honesty and good, sound judgment are important," Stern says. "Remember, if there's a problem with your taxes, it's you who gets nailed by the I.R.S., not him."**
- 3. Find someone who's creative, yet**