



## Your Taxes and Financial Matters

By: **Richard P. Król**

1 800 cpa-krol richard@cpakrol.com

## 7 Ways to Teach Financial Responsibility to Children

If the current economic climate has taught us anything, it's that financial education and responsibility are critical in today's fast paced, wired world. All too often, however, children grow up immune to the financial world around them. As a result, they're often ill equipped to manage their own finances when they become adults and leave home.

With the economy in the news almost daily, now is a perfect time to start educating your children about how to manage money more responsibly. The tips below can help you get started.

### 1. Pay an Allowance

If your children don't have money of their own, it's hard for them to really grasp the value of it. So if you don't pay your children allowance, consider starting. You don't need to pay very much. A little goes a long way. The most important thing is that your children learn the value of completing even small chores around the house to earn their own money.

### 2. Make a Plan and Set Guidelines

Before you actually start paying the allowance, sit down with your children and set some expectations. Discuss the specific chores and timelines for completing those chores, as well as the amount of money they'll earn for each chore and when they'll be paid. This helps instill a strong work ethic in children as well as drive home the message that money is earned, not given.

### 3. Save for the Future

As part of your financial discussion, consider implementing a savings rule for your children. For example, make a rule to save half or one-third of their allowance. You can go with them to the bank to establish a savings account in their name and then take them to make their deposits. Or, if your children are still young, you can decorate a jar to use as a special savings bank at home.

### 4. Educate on Interest

Once a month, sit down with your kids and count how much they have deposited, how much interest they have earned, and how much they have as a result. Compare the amounts each month, so your children can see the benefits not only of saving, but also the benefits of compounding interest.

### 5. Take Your Children Shopping

Take your children grocery shopping with you. As you go down your shopping list, have your children help you compare the prices of the different brands, sales, and quantities per package. You can also have your children try to keep a running tally and make a guess of what the total cost will be.

### 6. Set Them Free to Shop

Once your children have a sense of money matters, you may want to take the lesson up a notch. For instance, when your children need new school clothes, you try giving them the money and putting them in charge of what to buy. Then, as they shop, help them compare the prices and number of items they can purchase within their budget. You could even purchase a gift card with a specific dollar value on it. That will help your children not only learn about the value of a dollar and making smart purchases, but it'll also introduce them to the credit card system, in which money may not seem real because it's unseen. In today's electronic financial world, this lesson will

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## Investments

By: **Joanna Moran**

Financial Advisor  
(800) 473-1331 X 259  
joanna.brost@morganstanley.com

## It's 2010: Do You Know Where All Your Retirement Savings Are?

*A Traditional IRA here... A rollover IRA there... Four job changes (so far!) and three retirement plan account balances left in the plans of former employers.*

Over the years, you may have accumulated a significant sum in various retirement accounts. While keeping those assets in various accounts at different financial institutions isn't necessarily a bad thing, there is a strong case for consolidating them into one account with the same financial institution.

### Why Consolidate?

Consolidating your retirement savings, where appropriate, offers several benefits including:

#### Comprehensive investment strategy:

Over time, your investment objectives and risk tolerance may have changed. Thus, it can be difficult to maintain an effective retirement investment strategy—one that accurately reflects your current goals, timing and risk tolerance—when your savings are spread out among multiple financial institutions. Once you begin the consolidation process, you can choose investments that match your current goals and objectives.

#### Greater investment flexibility:

Often, 401(k) plans or other employer-sponsored retirement programs—and even many IRAs—have limited investment menus. A self-directed IRA like the one offered by Morgan Stanley Smith Barney generally offers you the ability to choose from a wide range of investments including stocks, bonds, mutual funds, managed accounts and more.

#### Simplified tracking:

It is easier to monitor your progress and investment results when all your retirement savings are in one place.

**Less paper:** By consolidating your accounts, you will receive one statement instead of several. That simplifies your life while protecting the environment.

**Lower costs:** Reducing the number of accounts may result in reducing your account fees and other investment charges.

**Easy-to-calculate Required Minimum Distributions ("RMDs"):** Once you reach age 70½, having fewer retirement accounts to manage means fewer RMDs from your Traditional IRAs to calculate every year.

#### Knowing where your assets are:

If your employer-sponsored retirement plan is terminated or abandoned (an "orphan plan") or is merged with or transferred to a retirement plan of another corporation after you leave, it may be difficult to locate the plan administrator to request a distribution of your benefits or to change investments. Your IRA assets are always accessible if you want to change your investment strategy or need to take a distribution.

#### What Can Be Consolidated?

Regardless of how many different types of retirement accounts you have or where they're held, they may be eligible for consolidation. Including:

IRAs held at financial institutions (banks, credit unions, mutual fund companies, etc.).

Retirement plan assets held at former employers including:

- 401(k) plans
- Profit-sharing plans
- Money purchase plans
- Defined benefit plans
- Keogh plans
- ESOP plans

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## Music News

By: **Marek Żebrowski and Krysta Close**

## Cantores Minores in Southern California

The resident choir of men and boys at the Cathedral of St. John in Warsaw paid a visit to Southern California, performing at Our Lady of the Lake Catholic Church in Lake Arrowhead on Sunday, July 25, and at St. Luke's-in-the-Mountains Episcopal Church in La Crescenta on Monday, July 26. The choir was founded in 1990 by its present conductor and artistic director, the American born Joseph Herter, and is celebrating its twentieth anniversary with an extensive tour of the United States.

This fine group of talented singers is a dedicated ensemble of musicians who donate their time for church services at their home church in Warsaw. A good number of the choristers have stayed with the ensemble since its inception and their dedication—as well as that of their colleagues—was quite evident in their Southern California appearances.

The July 26 concert opened with a memorable interpretation of *Bogurodzica*, achieved by the unusual vocal coloring that paid homage to the performing tradition of this mediaeval plainchant. This very traditional—and oldest—Polish religious hymn launched the first section of Cantores Minores' program, which was devoted to music by Polish masters. Equally at home with a wide spectrum of choral repertoire, the choir successfully navigated abrupt stylistic changes, where, for example, Grzegorz Gerwazy Gorczycki's Baroque-era *Omni die dic Marie* was followed by one of Henryk Mikolaj Górecki's *Marian Songs* dating from 1985, and then an arrangement of Frederic Chopin's C minor Prelude to a text of *Stabat Mater*.

The occasional solo numbers featuring various members of the ensemble served as a welcome interlude to the all-choir repertoire. Baritone Rafał Kucharski gave a spirited interpretation of Chopin's song, *Hulanka* whilst Michał Osmycki performed in a double role as a chorister and a solo violinist on several occasions. Zygmunt Stojowski's *Romanze for Violin and Piano*, César Franck's *Tantum Ergo*, and Michael Oczko's setting of Psalm 23 benefitted from Mr. Osmycki's solo and obligato roles.

Celebrating Chopin's bicentennial with a few offerings from his opus was certainly an appropriate gesture. By programming Paderewski's sole composition for piano and choir, *Hej, orle biały!*, Cantores Minores also paid homage to the 150<sup>th</sup> anniversary of Paderewski's birth. This short piece written for Polish soldiers fighting on French soil during World War I served as a fitting end to the Polish section of the program.

The rest of the concert was generally devoted to American, French, and German composers, featuring Emma Lou Diemer's *Halleluja*, Vittorio Giannini's *Credo* from *Missa Adeste fideles*, César Franck's *Sanctus* from *Messe à trois voix*, André Caplet's *O Salutaris*, Franz Biebl's *Ave Maria*, and Théodore Dubois'

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## Legal

By: **Christopher**

**Kerosky, Esq.**  
Ckerosky@youradvocate.net

## Details of Immigration Reform Plan introduced in U.S. Congress

In late April, several leaders in the United States Congress released to the public their detailed plan for comprehensive immigration reform legislation. The plan includes a way for undocumented immigrants to apply for permanent residence, but would require them to pay penalties and back taxes.

The plan also includes various measures to strengthen border security, impose even greater sanctions on those who employ undocumented immigrants, and provisions for wider detention and removal of undocumented persons.

In order to qualify, applicants would need to register with the government within a specified time period, complete a criminal background check and pay back taxes and fines. Those found eligible will be given interim "Lawful Prospective Immigrant" (LPI) status. This Lawful Protective Immigrant status would allow them to work in the US and travel outside the US. After a number of years, an LPI will be permitted to petition for a Green Card. The waiting period for the green card for applicants would be approximately eight years, although it is not specifically enumerated in the plan.

The proposed plan will encounter significant opposition in Congress and around the country. It is supported by President Obama, but he recently said that is doubtful whether Congress "has the appetite" to tackle immigration reform in this election year. No Republicans have so far agreed to support it, and at least one Republican vote would be necessary in the Senate for the bill to even be considered for a vote.

In 2007, a similar immigration reform proposal was blocked when its supporters did not have the 60 votes in the Senate to stop a promised filibuster of the bill. This proposal would face the same obstacle.

The Speaker of the House of Representatives Nancy Pelosi of San Francisco supports the proposal, but she has said that she will wait to see if the legislation passes the Senate before introducing it in the House of Representatives.

At the press conference introducing the proposal, Senator Chuck Schumer of New York, one of the plan's authors, declared: "The broken system has produced dysfunctional outcomes for millions of people and for this entire country and our economy." Schumer continued: "The fact that we do not have a good federal immigration system has engendered a disproportional and counterproductive response in Arizona which has passed a new law that is both ineffective and wrong hearted. That is why we must act now as soon as possible to repair our broken immigration system."

The movement to pass comprehensive immigration reform has gathered some momentum after the recent passage of a punitive discriminatory law, targeting immigrants in Arizona. The Governor of Arizona Jan Brewer signed that bill into law in mid-April, despite calls for her to veto the bill from many national leaders. President Obama has called the bill "misguided."

Among other things, the Arizona law requires local law enforcement officials to detain anyone suspected of being undocumented, although it provides no basis for how officials are supposed to make this determination. Many law enforcement experts believe that it will essentially compel police to discriminate

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