



# Personal Finances



## Correcting Four Common Money Mistakes

by John Addison

(NAPSA)—If you feel as though you keep making the same mistakes when it comes to money, there's good news.

By making a few small, practical changes in your behavior, you can often correct financial mistakes and make some positive changes that are likely to last.



Addison

Here are four examples.

- **Eliminate emotional spending:** Before you head off to the mall, take a minute to note what you are feeling. In a

recent study by [moneycentral.msn.com](http://moneycentral.msn.com), people who had just watched a sad movie clip were willing to spend more than those who had just watched other types of movies.

Remember, if you are feeling sad or frustrated, there are ways other than shopping to make yourself feel better.

- **Pay off credit card debt as soon as possible:** Take a long look at how much you are paying to borrow money from your creditors. Think about consolidating debt with a single loan that has a lower interest rate that's fixed.

- **Start planning for retirement now:** If you are not saving money for retirement, you should be. A recent study in *USA Today* showed that currently, 53 percent of people in the workforce have no pension and 32 percent have nothing set aside for retirement. If you're planning on relying just on Social Security, you probably should think again. The current

average payout is just \$955, or \$11,460 annually—and could be even less, depending on your work history. You should consider working with a financial professional and completing a personalized financial profile. This can help determine how much you need to start saving in order to reach your financial goals, such as retirement, education savings for your children and other goals.

- **Prepare for the unexpected:** Don't use the "it could never happen to me" excuse when dealing with something as critical as your family's financial future. Sudden accidents or unexpected critical health problems happen every day to those who least expect it. If you are the breadwinner of a young family, according to the experts at *Kiplinger's*, life insurance protection of eight to 12 times your annual income is recommended. Most experts agree that the most affordable form of insurance is term insurance. According to *Kiplinger's*, "Dollar for dollar, term life insurance gives you the most protection for your money. Period."

The guidance of a financial professional can often be helpful when making changes such as these. For example, the financial professionals at Primerica have created a guide that shows you how to take control of your financial life. To get a copy of "How Money Works," write to Primerica, 3120 Breckinridge Blvd., Duluth, GA 30099, ATTN: Corporate Relations, or call (770) 564-6329. For more information, visit [www.primerica.com](http://www.primerica.com).

*John Addison is Co-CEO of Primerica, a subsidiary of Citigroup, Inc.*