



Managing Your Money

Five Dos And Don'ts For Financial Security

(NAPSA)—Many Americans trying to get their financial lives back on track could benefit from five tips for building a brighter financial future.

1. Save for emergencies.

When asked if they would be able to come up with \$2,000 if an unexpected need arose in the next month, nearly two in five (39 percent) of Americans surveyed said they probably or certainly could not. The best way to avoid this is to build up rainy-day savings in a federally insured savings account. If you can set aside \$40 every week, then by this time next year, you will have saved over \$2,000.

2. Don't chase yield. With low yields on fixed-income investments and an economy on the mend, investors have been facing a difficult investing environment. Some investors have been chasing return, meaning they put their assets into riskier products that promise higher yields than they can get in more traditional investments. Investors should realize that they could be taking on more risk if they invest in products with higher returns.

3. Take advantage of tax breaks when saving for college and retirement. If you have children, try to save for college using tax-advantaged savings accounts like a 529 plan or Coverdell Education Savings Account. The FINRA Investor Education Foundation's recent National Financial Capability Study showed that only 34 percent of respondents with financially dependent children are setting aside money for their children's college education. Only 54 percent of nonretired respondents have some kind of retirement account. If you're working, consider using tax-advantaged savings accounts like a 401(k) to boost your retirement security.

4. Reduce your debt. More than two out of five Americans (42



Saving money may be simpler than many people realize.

percent) surveyed felt they have too much debt, regardless of income. The best way to avoid an endless cycle of credit card debt is to try to pay your credit cards in full and on time. If you have credit card debt, pay it off as quickly as possible. If you're unable to pay your whole bill, pay more than the minimum due, which will reduce the amount of interest you'll pay.

5. Check your credit report and score. You need to do both. Only 42 percent of survey respondents said they obtained a copy of their credit report and only 41 percent checked their credit score within the 12 months preceding the survey. With credit hard to get and identity theft a continuing problem, it's critical to see whether your credit history is accurate and correct any mistakes immediately.

The Financial Industry Regulatory Authority (FINRA) is the largest independent regulator for all securities firms doing business in the United States. Its mission is to protect America's investors by making sure the securities industry operates fairly and honestly.

For more resources, visit www.finra.org/investors.