

MONEY MATTERS



Weathering Tough Financial Times: Nine Tips For 2009

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(NAPSA)—The financial crisis of 2008 battered the wallets of many Americans, leaving them unable to make ends meet. While saving and investing may be difficult, it's critical to weathering tough financial times. These nine tips from the Financial Industry Regulatory Authority (FINRA) can help:

1. Pay down credit card debt. Banks are increasing interest rates and late fees, leading to higher borrowing costs. They're also reducing limits on credit cards, which can lead to lower credit scores if you don't pay down your balance.

2. Check your credit report. With credit becoming harder to get, make sure your credit history is accurate—and correct problems that may hurt your credit score. For your free credit report, call (877) 322-8228 or visit www.annualcreditreport.com.

3. Create a rainy-day fund. One in three Americans has no emergency savings. Aim to save at least one month (preferably three to six months) of your current salary in a federally insured savings account.

4. Open account statements. Although you may be tempted to avoid the trauma of seeing losses in your portfolio, ignoring your 401(k), IRA or brokerage accounts can blind you to problems in your accounts other than performance.

5. Avoid raiding your 401(k). One in five workers over

age 45 stopped saving for retirement in 2008 because of economic conditions. Before cutting contributions or borrowing against your 401(k), reduce spending wherever possible.

6. Diversify. If your portfolio declined more than broad market indices, make sure you are well diversified. Spread your risk by distributing your investments both among different asset classes—stocks, bonds and cash—and within each class.

7. Know that fees matter. Find out what each investment costs. The higher the fees and expenses, the less real return you make. Compare mutual fund costs using FINRA's Fund Analyzer at www.finra.org/fundanalyzer.

8. Protect yourself from identity theft. Phishing attacks surged in October 2008 by 103 percent following stock market drops. To avoid taking the bait, visit FINRA's Identity Theft resource at www.finra.org/identitytheft.

9. Invest for the long term. Investors with a short-term outlook often jump ship just as a bear market bottoms out or jump in as a bull market peaks. Investing incrementally, in good times and in bad, is a tried-and-true way of bearing up in a bear market.

As you start the New Year, take time to set fresh financial goals and stick with your long-term plan. For more resources and tools, visit www.finra.org.