

MANAGING YOUR MONEY



If Faced With An Emergency, Will You Be Prepared Financially?

(NAPSA)—Financial counselors routinely advise clients to sock away between three and six months salary in the event an emergency strikes. However, a new survey by HSBC – North America reveals most consumers' savings funds are pretty lean, if they have one at all. In fact, if faced with a life crisis, four in 10 surveyed said they would not have enough savings to cover more than one month of living expenses.

The survey also found that while 80 percent of consumers worry about their level of financial savings, one out of four consumers admits to having no savings at all.

HSBC offers these four tips for building your nest egg:

- **Establish a budget and long-term plan**—The HSBC survey indicates only one in four consumers actually sticks to a budget. But without a monthly budget or long-term plan in place, it is difficult to track your results and make your financial goals a reality.

- **Pay yourself first**—Think of your savings as an expense and include it in your budget like groceries or car payments. If you're among the consumers with no savings at all, as identified by the HSBC survey, paying yourself is especially important.

- **Set a savings target**—Aim for 10 percent of your income, but always save at least some portion of your earnings. Make the act of saving, if not the amount, a habit.



- **Review your credit report**—Your credit standing directly affects the interest rate you pay when borrowing money, so monitor your credit report regularly for errors and signs of fraud. Of consumers who recently checked their credit reports, one in three uncovered errors.

To learn more about budgeting, planning, saving money and managing credit, visit HSBC's comprehensive financial education Web site, www.yourmoneycounts.com.

"Without some savings, you may have to incur debt when an emergency strikes," says Loretta Abrams, vice president of community development and consumer advocacy, HSBC – North America. "Armed with a good financial plan, most people find ways to put aside a portion of their income for future emergency needs and to meet long-term goals."