

Financial Tips for Women

"You don't get rich by what you earn. You get rich by what you don't spend." - Henry Ford

Educate Yourself

Empowering yourself to take control and manage your finances is an important part of financial health, much like nutrition and exercise are key components of physical health. And, whether you consider yourself an "investor" or not, the fact is that everyone invests money by the simple act of spending it. Look for quality financial information from neutral, reputable sources such as governmental and non-profit websites and publications, and **not** from salespeople. When making a financial decision, be sure to evaluate alternatives and compare fees and services. For example, if you're looking to open a savings account, consider different banks and credit unions to see which offers the products and services most important to you. If you're shopping for a loan, take the time to compare interest rates and fees. Good sources for financial information include the Federal Citizen Information Center <http://www.pueblo.gsa.gov>, the US Financial Literacy and Education Commission <http://www.mymoney.gov/>, Kiplinger and Yahoo Finance. Find workshops sponsored by government agencies, community colleges or adult schools, and attend with family or friends. And **always** check the license status of any financial professional **before** you entrust them with your money! Contact the CA Department of Corporations (or other appropriate licensing agency) for assistance.

Set Financial Goals

Make it a regular habit to set financial goals, and create new goals once those are met. If long-term goals seem too overwhelming, make short term goals instead, so that it is easier to measure your progress. As with exercise and nutrition, some people find it works best to set daily or weekly goals: "I will save \$50 this paycheck" or "Today, I will bring my lunch rather than eat out, and save \$10."

Get out of Debt

Not all debts are created equal. Some debt, such as home loans or student loans, may offer tax write-offs and enable women to achieve greater wealth and/or earning power. Other debt, such as credit cards, offers no such benefits, and in fact takes money away from your future wealth. If you have credit card debt, stop charging. Try to pay more than the minimum payment, or you could easily end up paying back far more than you initially charged. If you are experiencing financial difficulty, contact creditors before payments are due. Ask creditors to waive fees, reduce the interest rate, or work with you to create a payment schedule that will work with your budget.

Save, Save More, and Keep Saving

Many women consider themselves spenders, not savers. "I'll start that savings account soon" or "Buying gifts for my family and friends makes me feel good" are common excuses. Instead, look at saving as **spending for your future**. Everyone needs a nest egg or rainy day fund. The easiest way to start is to start small—regularly deposit even a modest amount into an interest-bearing savings account. Soon you'll have a special savings fund that can help you handle unanticipated expenses.

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Manage Your Own Finances

In the past, many women were less experienced at managing finances than men. Even today, many women are dependent on their partner/spouse's income and financial expertise. If something happens, such as job loss, separation, divorce, or the death of a spouse, women may be left with few financial resources and a mountain of debt. Learn to manage your own finances and become financially competent. A good way to do this is to establish and manage your own checking, savings and retirement accounts, and make regular deposits into each.

Plan for Retirement Now

Because the economic future is uncertain, the sooner you start planning for retirement, the better. Don't put off saving for retirement or leave it up to someone else to make those decisions. This is especially important, since women tend to live longer and earn less than men, and often have career gaps due to family responsibilities. As a result, women often receive lower pensions and have fewer assets in retirement. If you already have a retirement plan, increase your contributions and/or open a second account if at all possible. If you haven't started, attend retirement workshops hosted by non-profits, government agencies, community centers, your employer or other non-commercial entities to learn more about your options. Review your Social Security benefits and use the on-line retirement calculator: www.ssa.gov

Protect Yourself from Fraud

If a financial opportunity sounds too good to be true, it most likely is. Don't believe promises of quick profits or "insider" information, and don't fall for tactics like "you must act now." Always verify that paperwork matches promises, and **never** sign a blank form. Salespeople may be more motivated to profit from your transaction (by earning commissions or bonuses) than to look out for **your** best interests. Be sure to ask how financial services professionals receives their compensation—for example, do they receive an up-front fee, or do they receive commissions or bonuses based on the products sold? Unethical salespeople may try to switch interest rates, terms and conditions, or change other important financial details. And if a salesperson won't allow you time to compare prices and features or explore other options—be cautious! These are warning signs of fraud. Consider diversifying the types of accounts you use for your investments as well as the institutions that hold your money. Also, review your telephone bills, credit card bills, cell phone bills and other accounts to be sure that you're not being charged for a product or service you didn't order or didn't need.

Safeguard your Personal Information

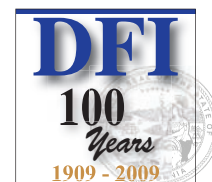
Request and review your credit report at least once every year, and look for accounts you don't recognize (especially new accounts), suspicious charges, or any addresses where you've never lived. To get your **free** credit report, go to www.annualcreditreport.com Make it a practice to regularly review your bills, financial statements, files and records. Shred (don't toss) cancelled checks, credit card statements, old bills, and other financial papers. When creating passwords, DO NOT use such things as your mother's maiden name, pet or children's names, birth or anniversary dates, phone numbers, consecutive numbers, or the last four digits of your Social Security number.



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CA Commission on the
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