SPECIAL EDITION

FDIC Consumer News

Money Tips for All Ages

Your Finances at Different Stages of Life

Ideas for...

- *Any Age or Stage*
- *Teens*
- *Young Adults*
- *Newlyweds*
- *People at Midlife*
- *Teaching Our Kids*
- *Before You Retire*
- *After You Retire*
- *Financial Caregivers*
- *Coping After Changes*

FEDERAL DEPOSIT INSURANCE CORPORATION

For Any Age or Stage

Practical Advice for Everyone on How to Save and Manage Money

No matter how old or young you are, there are some basic things you can do to better manage and protect your money. Here are recommendations from ***FDIC Consumer News***.

Comparison shop for financial services. Just as you would do for any major purchase, look at what is being offered by your bank and a few competitors, then try to find the best deal to meet your needs. For instance, with a mortgage, credit card or other loan, you may be able to negotiate the interest rate and other terms. This can save hundreds or thousands of dollars over several years.

Start by comparing the Annual Percentage Rate (APR) on a loan or credit card. The APR is the cost of credit expressed as a yearly rate, including interest and certain fees. "Many people looking for a loan only focus on the dollars they'd pay each month instead of the APR and, because of that, they don't realize how much the loan will cost and they could pay too much," said Rae-Ann Miller, special advisor on consumer issues in the FDIC's research division. For example, she said, payday loans (unsecured loans that borrowers promise to repay out of their next paycheck or regular income payment) and car-title loans (secured by the borrower's car) "may be quick and easy sources of cash, but they also have an APR as high as 300 to 400 percent."

Also, for a mortgage, consider a fixed-rate loan even if adjustable-rate mortgages (ARMs) carry a lower initial interest rate or lower monthly payments at the start. "If you are thinking about an ARM, before you commit to one, make sure you know how much the monthly payments could go up and be comfortable with those higher payments," cautioned Janet Kincaid, Chief of the FDIC's Consumer Response Center. "Don't let a low teaser rate lure you in; you may be surprised later."

When you consider opening checking and savings accounts, compare the Annual Percentage Yield (APY) offered by several financial institutions. The APY expresses the annual interest rate you will earn on a deposit account, depending on the frequency of compounding. However, keep in mind that fees — such as those for ATM withdrawals, account maintenance and checks returned because of insufficient funds — aren't factored into the APY. Fees can make a big difference in how much you actually earn from money you have on deposit.

Get a free copy of your credit reports. These reports are prepared by companies called credit bureaus. They summarize your history of paying loans, credit cards and other bills. If you apply for a loan, insurance or a job, or you want to rent an apartment, chances are your credit report will be reviewed.

One reason you should be monitoring your credit reports is to correct errors or omissions that can leave bad marks on your credit history. Inaccuracies in your credit report can needlessly reduce your "credit score" and, in turn, may cost you hundreds of dollars each year due to higher interest rates on a loan or credit card. Another reason to review your credit reports is to protect against identity theft (see Page 4).

Under federal law, you are entitled to one free credit report every year from each of the nation's three major credit bureaus. To order your free reports or for more information, go to www.AnnualCreditReport.com or call toll-free 1-877-322-8228.

Try to save more and spend less. First, if you don't already have a monthly budget, consider preparing one to get a better handle on your income and expenses for necessities,

The Federal Deposit Insurance Corporation was created by Congress in 1933 to protect depositors and ensure the safety and soundness of the U.S. banking system. Since that time, the FDIC has remained true to its mission — to be a source of confidence and stability for the American people. In fact, because of the FDIC, no depositor has lost a single cent of insured funds as a result of a bank failure.

The FDIC is celebrating our 75th anniversary in numerous ways, including the publishing of "Money Tips for All Ages," this special edition of ***FDIC Consumer News***. We invite you to learn more about what we do to serve and protect consumers — and what you can do to better manage your money. Start by visiting our home page at www.fdic.gov. You also can call or write the FDIC for help regarding deposit insurance and banking. See the back page for information on how to contact us.

such as housing, utilities, food and transportation. You can also decide what is appropriate for non-essential expenses, such as entertainment, eating out and the latest electronics. "This is how a budget can help you commit to saving a little money every month and splurging a little less," said Kincaid.

She also said that "a budget doesn't have to be complicated or scary," and that while there are budgets you can easily create on a computer, "a notebook and a pencil can be enough to get you started."

Keep banking costs down. With planning, you can sidestep some of the more costly fees and penalties. Examples:

• With credit cards, try to pay the card balance in full each month to avoid interest charges. If you can't pay in full every month, send in as much as possible to keep interest costs to a minimum. "Think twice before accepting an offer from your credit card issuer to skip a payment," said Luke W. Reynolds, Chief of the FDIC's Community Affairs Outreach Section. "It's likely that interest will still be charged, so you'll actually be paying *more* in interest because you'll carry a higher balance on your card for a longer period of time."

In addition, pay your credit card bill on time. One reason is to avoid late fees. Another is that late payments can damage your credit record. If repeated, they could even trigger interest rate increases on your credit cards and loans.

• With your checking account, avoid fees for insufficient funds and bounced checks. "Record every deposit and withdrawal in your checkbook — especially remember your debit card purchases and ATM withdrawals," said Reynolds. "It is important to know how much money you have in your account so you won't overdraw your balance."

Your bank may offer various "overdraft protection" services for your checking account, but be aware that these come with their own costs. Reynolds added that one of the least expensive options could be to ask your bank to cover insufficient funds by automatically transferring money from your savings account.

• At the ATM, limit or avoid "surcharges" (access fees) by using your own bank's machines or those owned by institutions that don't charge fees to non-customers. If you definitely need cash when you're out of town or otherwise not near an ATM owned by your bank, consider getting cash back when you use a debit card to make a purchase at a supermarket or another merchant.

• Don't be afraid to ask for a break. Bounce a check or send in a late payment for the first time ever? Think the fees for your mortgage application are a bit steep? Depending on the circumstances, your bank might be willing to reduce or waive a fee or penalty, especially if you've been a good customer and don't have a history as a "repeat offender."

For more ideas on how to cut banking costs, see previous issues of ***FDIC Consumer News*** at www.fdic.gov/consumernews, including our Summer 2007 special edition called "51 Ways to Save Hundreds on Loans and Credit Cards" and the Summer 2005 feature "A Shopper's Guide to Bank Products and Services."

Understand your FDIC insurance coverage so you can be fully protected if your bank fails. If you (or your family) have $100,000 or less in all of your deposit accounts at the same insured bank, you don't need to worry about your insurance coverage. Your deposits are fully protected under federal law because the basic insurance coverage is $100,000 per depositor per insured institution.

You also may qualify for more than $100,000 in coverage at one insured bank. For example, the money you have in your individually owned accounts (not including your retirement accounts) is insured up to $100,000 separately from your share of any joint accounts at the same bank. Deposits designated to pass to named beneficiaries upon the death of the owner, such as in payable-on-death accounts, also can be insured for more than $100,000 under certain circumstances. And, some retirement accounts (notably Individual Retirement Accounts) are insured up to $250,000.

Understand your FDIC insurance so you can be fully protected if your bank fails. The basic coverage is $100,000 per depositor per institution, but you may qualify for more FDIC insurance depending on the circumstances.

For guidance about your FDIC insurance, including how to make sure that all your funds are protected, go to www.fdic.gov/deposit/deposits/index.html to find FDIC brochures, videos and an interactive insurance calculator. Or, you can call the FDIC or write or e-mail questions to us (see the back page).

Remember that investments can lose value. Investment products include stocks, bonds and mutual funds. Over the long term, investments might produce higher returns than bank deposits. However, investments are not deposits, they are *not* FDIC-insured — not even the ones sold through FDIC-insured institutions — and they can lose value. Because of the risks associated with any investment, always deal with a reputable, licensed salesperson and research the product before making a purchase. See Page 12 for securities and insurance regulators that can help.

Certain annuities are a type of investment. In general, an annuity is a contract with an insurance company. The consumer makes one or more payments to the insurer, as an investment, and the insurer agrees to make a series of income payments to the consumer as long as he or she lives.

continued on next page

Be particularly careful before investing in "variable" annuities (see Page 12), which frequently come with high fees and penalties if you withdraw money early.

Especially troubling have been reports of marketers steering people into annuities that are unsuitable for them. The National Association of Insurance Commissioners has published a consumer alert to help consumers, especially seniors, better understand annuities and recognize questionable sales practices. Read it online at www.naic.org/documents/consumer_alert_annuities_senior_citizens.htm.

There also have been reports of marketers making false statements about the FDIC — such as claims that the FDIC doesn't have the financial resources to protect insured deposit accounts — as a way to sell investments or annuities to consumers. Again, for information about the FDIC or FDIC insurance, be sure to contact us.

Be cautious when borrowing against the "equity" in your home. If you have property valued at $300,000 and you owe $100,000 on your mortgage, your equity is $200,000. Home equity loans and lines of credit are ways that homeowners can borrow money using their home's value as collateral and gradually pay it back.

Home equity products are relatively low-cost ways to borrow money, but they must be repaid like any other loan. Especially important to remember is that if you cannot pay a home equity loan, you risk losing your home.

Prepare for the unexpected. Have adequate insurance, especially for life, health, disability, personal liability, and coverage of property. Review your coverage annually to ensure that it is up to date.

Consult an attorney or another trusted advisor about having a will and/or establishing a formal "trust" to specify how your bank accounts, property and other assets should be distributed upon your death. Periodically review your life insurance policies and retirement accounts — especially after a birth, death, divorce or other major life event — to ensure that the named beneficiaries are correct.

Also build an emergency savings fund, preferably of about three to six months of living expenses, so you have ready resources you can tap to pay your mortgage, insurance or costly home repairs or medical bills. The safest place for emergency savings is a federally insured deposit account.

Simplify your financial life. Have your pay and benefit checks deposited directly into your bank account. Arrange to automatically pay for recurring expenses, such as a mortgage loan, insurance premium or utility bill. Banking and bill paying online or by phone also can be good options.

These and other ideas can help you save time, reduce stress, eliminate clutter, lower the fees you pay, and maybe help you earn a little extra on your savings and investments.

Protect against fraud. Here are basic precautions against identity theft, check fraud and other financial scams:

• Be wary of requests to "update" or "confirm" personal information — especially your Social Security number, bank account numbers, credit card numbers (including security codes), personal identification numbers (PINs), your date of birth or your mother's maiden name — in response to an advertisement or an unsolicited call, letter or e-mail. Your bank won't call or e-mail you to confirm account numbers or passwords it already has.

• If you want to find out if a company is legitimate, look it up using a reliable source. Don't rely on the contact information that was provided to you on a Web site or in an unsolicited call or e-mail. For information about banks, you can use Bank Find, the FDIC's online directory of insured banking institutions, at www2.fdic.gov/idasp/main_bankfind.asp. Or, call the FDIC's toll-free consumer assistance line at 1-877-ASK-FDIC, which is 1-877-275-3342.

• Assume that any offer that "sounds too good to be true" — especially one from a stranger or an unfamiliar company — is probably a fraud. Example: You receive a call or letter announcing you've won a lottery or other prize you don't remember signing up for, and you are told to pay "taxes" or "fees" before you can claim your (nonexistent) prize.

• Beware of transactions in which another party sends you a check for more than you are due and then asks you to wire back the difference. "If the check is fraudulent, you could lose a lot of money," said Michael Benardo, manager of the FDIC's financial crimes section.

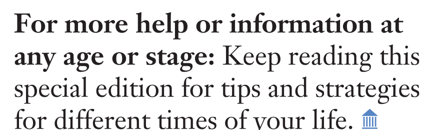
• Look at your bank statements and credit card bills as soon as they arrive and report any discrepancy or anything suspicious, such as an unauthorized withdrawal or charge.

• Keep bank and credit card statements, tax returns, credit and debit cards and blank checks out of sight, even at home. Also shred sensitive documents before discarding them. Why? Because dishonest relatives, neighbors, workers around the house and other people could use these items to commit identity theft or other crimes.

• Periodically review your credit reports to make sure an identity thief hasn't obtained a credit card or loan in your name. Experts suggest that, to maximize your protection, you request copies from all three credit bureaus but spread out the requests during the course of the year.

To learn more about common financial frauds and how to protect yourself, see back issues of ***FDIC Consumer News*** (online at www.fdic.gov/consumernews) and our multimedia presentation "Don't Be an Online Victim" (at www.fdic.gov/consumers/consumer/guard/index.html).

For more help or information at any age or stage: Keep reading this special edition for tips and strategies for different times of your life.



For Teens

How to Ace Your First Test Managing Real Money in the Real World

As a teen, you're beginning to make some grown-up decisions about how to save and spend your money. That's why learning the right ways to manage money…right from the start…is important. Here are suggestions.

Save some money before you're tempted to spend it. When you get cash for your birthday or from a job, automatically put a portion of it — at least 10 percent, but possibly more — into a savings or investment account. This strategy is what financial advisors call "paying yourself first." Making this a habit can gradually turn small sums of money into big amounts that can help pay for *really* important purchases in the future.

Also put your spare change to use. When you empty your pockets at the end of the day, consider putting some of that loose change into a jar or any other container, and then about once a month put that money into a savings account at the bank.

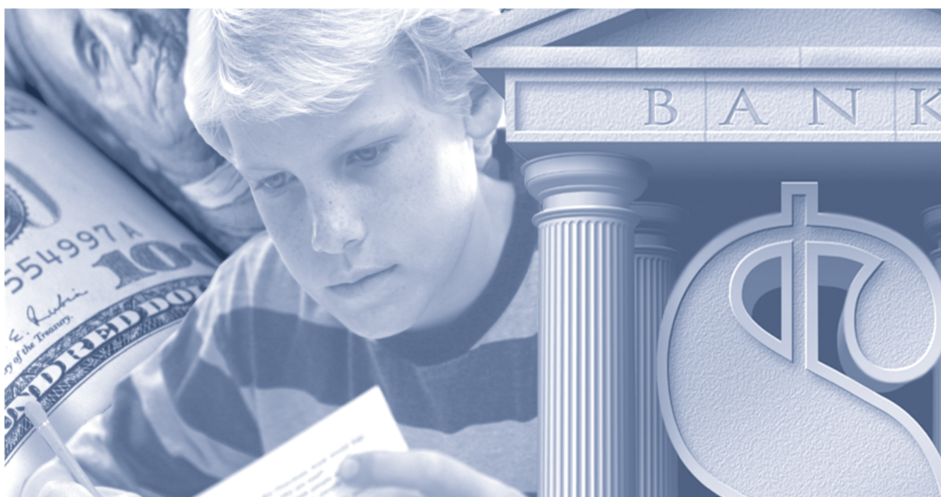
"Spare change can add up quickly," said Luke W. Reynolds, Chief of the FDIC's Community Affairs Outreach Section. "But don't let that money sit around your house month after month, earning no interest and at risk of being lost or stolen."

If you need some help sorting and counting your change, he said, find out if your bank has a coin machine you can use for free. If not, the bank may give you coin wrappers.

Some supermarkets and other non-banking companies have self-service machines that quickly turn coins into cash, but expect to pay a significant fee for the service, often close to 10 cents for every dollar counted, plus you still have to take the cash to the bank to deposit it into your savings account.

Keep track of your spending. A good way to take control of your money is to decide on maximum amounts you aim to spend each week or each month for certain expenses, such as entertainment and snack food. This task is commonly known as "budgeting" your money or developing a "spending plan." And to help manage your money, it's worth keeping a list of your expenses for about a month, so you have a better idea of where your dollars and cents are going.

"If you find you're spending more than you intended, you may need to reduce your spending or increase your income," Reynolds added. "It's all about setting goals for yourself and then making the right choices with your money to help you achieve those goals."



Consider a part-time or summer job. Whether it's babysitting, lawn mowing or a job in a "real" business, working outside of your home can provide you with income, new skills and references that can be useful after high school or college. Before accepting any job, ask your parents for their permission and advice.

Think before you buy. Many teens make quick and costly decisions to buy the latest clothes or electronics without considering whether they are getting a good value.

"A $200 pair of shoes hawked by a celebrity gets you to the same destination at the same speed as a $50 pair," said Reynolds. "Before you buy something, especially a big purchase, ask yourself if you really need or just want the item, if you've done enough research and comparison-shopping, and if you can truly afford the purchase without having to cut back on spending for something else."

Be careful with cards. Under most state laws, you must be at least 18 years old to obtain your own credit card and be held responsible for repaying the debt. If you're under 18, though, you may be able to qualify for a credit card as long as a parent or other adult agrees to repay your debts if you fail to do so.

An alternative to a credit card is a debit card, which automatically deducts purchases from your savings or checking account. Credit cards and debit cards offer convenience, but they also come with costs and risks that must be taken seriously.

Protect yourself from crooks who target teens. Even if you're too young to have a checking account or credit card, a criminal who learns your name, address and Social Security number may be able to obtain a new credit card using *your* name to make purchases.

One of the most important things you can do to protect against identity theft

continued on next page

Save some money before you're tempted to spend it. When you get cash for your birthday or from a job, automatically put a portion of it into savings.

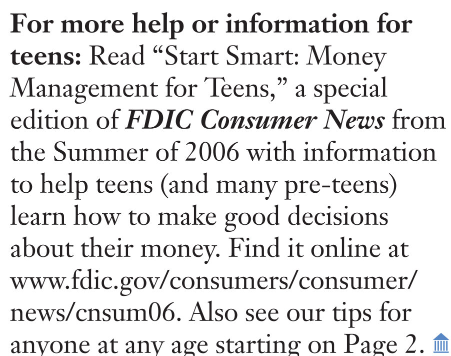
is to be very suspicious of requests for your name, Social Security number, passwords or bank or credit card information that come to you in an e-mail or an Internet advertisement, no matter how legitimate they may seem.

"Teens are very comfortable using e-mail and the Internet, but they need to be aware that criminals can be hiding at the other end of the computer screen," said Michael Benardo, manager of the FDIC's financial crimes section. These types of fraudulent requests can also come by phone, text message or in the mail.

For more guidance on how to guard your personal information, see Page 4.

Be smart about college. If you're planning to go to college, learn about your options for saving or borrowing money for what could be a major expense — from tuition to books, fees and housing. Also consider the costs when you search for a school. Otherwise, when you graduate, your college debts could be high and may limit your options when it comes to a career path or where you can afford to live.

For more information on saving and borrowing for college, visit www.students.gov, a Web site with information from the U.S. government and other sources.



For more help or information for teens: Read "Start Smart: Money Management for Teens," a special edition of ***FDIC Consumer News*** from the Summer of 2006 with information to help teens (and many pre-teens) learn how to make good decisions about their money. Find it online at www.fdic.gov/consumers/consumer/news/cnsum06. Also see our tips for anyone at any age starting on Page 2.

For Young Adults

What to Know Before Declaring Your Financial Independence

Twenty-somethings may not realize it, but every time they enter a new phase of their life as young adults — perhaps starting college, a career or a family — they're also venturing into a new world of money management. Here are ways to be prepared.

Save money that could make your future dreams a reality. It's important to put money aside for purchases you expect to make in the next few months or years. But even at this stage of your adult life, it's smart to save for long-term goals, perhaps buying a home, owning a business or saving for retirement (even though that may be 40 or 50 years away).

To help you stay focused on saving money and controlling your spending, think about creating a formal or informal budget. "The important thing is to understand how much you earn each month, how much you pay for essentials like rent or transportation, and how much is left over for everything else," said Janet Kincaid, Chief of the FDIC's Consumer Response Center. It's how you spend what is in the "everything else" category that is critical to successful money management, Kincaid added.

Also, to make saving easy and painless, consider arranging with your bank or employer to automatically transfer a certain amount each month to a savings or investment account.

Build a good credit record. As you become responsible for paying your own debts — for credit card purchases, rent, car loans or student loans, and other obligations — you are building a credit record. Companies called credit bureaus are authorized by law to collect information on each person's history of paying debts, which is then used to prepare "credit reports" and summary "credit scores." In general, the better your credit history and credit score, the better your chances are of getting a loan, including a credit card, with an attractive interest rate. Credit reports and scores also can be considered when you apply for a job, an insurance policy or an apartment.

One of the best ways to build and maintain a good credit record is to pay your credit card bill and other debts on time — to show you are a reliable money manager.

What else can you do to improve your credit score? "Try to charge on your credit card only what you can afford to pay off immediately or within a reasonable time frame," said Robert Mooney, FDIC Deputy Director for Consumer Protection and Community Affairs. "Whenever possible, pay your credit card bill in full each month, but if you can't do that, pay as much as you can over the minimum amount due."

If you need to get a car, consider the best way to pay for it. For many young adults, their first big purchase and ongoing expense is their vehicle. Often, the first question is whether to buy (which may involve taking out a loan) or lease (which is similar to renting a car but for a few years).

"There are different pros and cons to buying or leasing," said Kincaid. "For example, monthly lease payments are usually lower than monthly loan payments, but at the end of the lease you don't own the car you've been paying for and you may owe a sizeable sum of money. If you buy, you do have a vehicle you can sell or trade in."

The Federal Reserve Board has published a guide to the differences between buying and leasing a car. "Keys to Vehicle Leasing" is online at www.federalreserve.gov/pubs/leasing. If you're thinking about buying a car and borrowing money to pay for it, see

the Summer 2007 ***FDIC Consumer News*** (www.fdic.gov/consumers/consumer/news/cnsum07/auto.html) for tips that can help you save time and money, perhaps hundreds of dollars.

If you're renting a house or apartment, consider if it's time to buy. Once you start earning a good, steady income, you'll most likely face the decision about when is the right time to own your first home. Real estate can be an excellent investment. But home ownership is a big financial commitment, and home values sometimes can go down. "There's a lot to consider before making that big leap into home ownership, and what works for one person isn't always the best fit for someone else," said Lee Bowman, FDIC National Coordinator for Community Affairs.

First look at the costs of renting versus paying a mortgage. "When buying a home, the most important thing to look at is what you can reasonably afford," added Kincaid. "Remember you'll be paying real estate taxes and insurance, mortgage interest payments, and the costs of maintenance and improvements. But also remember the upsides of buying a home, such as tax benefits, the potential for your home to appreciate in value, and the satisfaction of having a place to call your own."

Other factors to consider include how long you plan to stay in the house, how much money you have for the down payment, and how good your credit record is. "If your credit record is less than stellar, you may only be offered a mortgage at a high interest rate," Kincaid said.

To learn more about renting vs. buying a home and paying a mortgage, go to www.mymoney.gov/homeownership.shtml, a federal Web site for information from a variety of sources, and www.hud.gov, the U.S. Department of Housing and Urban Development.

For more help or information for young adults: Turn to our financial tips for consumers of all ages starting on Page 2 and those for newlyweds above. Also see our Spring 2005 ***FDIC Consumer News*** special issue for young adults entitled "Taking Control of Your Finances," which is online at www.fdic.gov/consumers/consumer/news/cnspr05.

For Newlyweds

Starting a Household on Solid Ground Financially

For newlyweds, the first big financial decisions go beyond how to pay for the honeymoon and how to invest all those checks. They also involve starting a new household on solid ground financially. "Financial incompatibility is a primary reason for a significant number of failed marriages," said Lee Bowman, National Coordinator for Community Affairs. "Achieving harmony regarding financial matters before marriage, or as early in the marriage as possible, is critical to sustaining the relationship and preventing conflicts."

Before exchanging wedding vows, have a candid discussion about your finances. Be open and honest about matters that could be a source of friction in the future, such as major outstanding debts from student loans or credit cards.

Some experts suggest that both of you order your latest credit reports and then, together, sit down and review them to avoid major surprises. Credit reports include information on debts outstanding and, for example, whether someone has filed for bankruptcy. By federal law, you can receive one free copy of your credit report every 12 months from each of the three nationwide credit reporting companies (www.AnnualCreditReport.com or call toll-free 1-877-322-8228).

Set short-term and long-term financial goals. Figure out how much money each of you should be able to spend for "fun" and how much you should set aside for important goals, perhaps to buy a home. Financial advisors suggest that young couples consider preparing and following a monthly budget (see Page 6).

Understand the risks and responsibilities of jointly held accounts. If a husband and wife are co-owners of a credit card and one of them goes on a spending spree, the other spouse may be held responsible for paying the bill. Likewise, irresponsible use of a jointly owned credit card by one spouse would be reported on *both* of their credit histories, and that could damage the "innocent" partner's chances of getting a good loan or credit card in the future. And when two people use the same checking account, they should share one checkbook and record all transactions, because otherwise they risk losing track of their balance and paying charges for insufficient funds.

For more help or information for newlyweds: See the Spring 2005 special issue of ***FDIC Consumer News***, which is devoted to helping young adults, including those just beginning a family, to learn the right ways to save and manage money. It is online at www.fdic.gov/consumers/consumer/news/cnspr05. Also see our basic tips for consumers starting on Page 2.

At Midlife

Multi-Tasking In Your 30s, 40s or 50s

Managing for today and saving for tomorrow, including a child's college expenses and your retirement

If you're "living in the middle ages" — you're 35 to 55 (or thereabouts), the years between young adulthood and senior status — you've got a lot to think about when it comes to managing money.

Among the issues you face: how to maximize your income during your remaining work years so you're better positioned to retire when, where and how you want. Here are some suggestions for minimizing stress and maximizing results.

Save as much as you can for your retirement. Tax-advantaged savings vehicles, such as Individual Retirement Accounts (IRAs) and 401(k)s, are solid choices. And once you reach age 50, you can also make "catch-up" (extra) contributions to these retirement savings accounts.

Consider speaking with a financial planner or other personal advisor about a recommended investment strategy for your age and stage of life — especially the mix of stocks, bonds, mutual funds and lower-risk alternatives such as U.S. Savings Bonds and bank deposits.

Explore tax-preferred ways to save money for a child. State-sponsored "529-plan" savings accounts and Coverdell educational savings accounts carry tax advantages and help families and individuals save for higher education expenses.

Also, many families may be able to qualify for a tax break on earnings from certain U.S. Savings Bonds used for educational purposes.

Do your homework if you need a loan to pay for a child's education. Among the many options are government-guaranteed loan programs for parents and students, and loans from private financial institutions. There often are big differences between government and private loans, though, and private lenders could offer both types. So ask questions and fully understand the fees, the interest rate, and when loan payments and interest charges will begin.

"Teenagers are solicited by direct mail for very large student loans that would put a heavy debt burden on them when they graduate from college," said Deirdre Foley, an FDIC Senior Policy Analyst on consumer issues. "My recommendations to parents and students are to shop around at multiple lenders, read all the fine print, and borrow only what you need for school-related expenses that are not covered by grants, scholarships or other sources."

Also be on guard against scams that begin with a "guarantee" or promise of scholarships, grants or fantastic financial aid packages. For details, see a Federal Trade Commission warning about fraudulent scholarship offers at www.ftc.gov/bcp/menus/consumer/education/scholarships.shtm.

Make the best use of a financial "windfall." Many people receive a large sum of money from an inheritance, a home sale or an insurance payment, and they aren't sure how to use or protect it. Consider asking a financial or tax advisor about the best options, which may include starting or adding to a rainy-day fund for emergency expenses or putting money into your retirement accounts.

If you deposit a large amount of money in a bank account, make sure it is fully protected by FDIC insurance (see Page 3).

Also consider paying off high-interest debt, such as the outstanding balances on your credit cards.

Plan a strategy for having a home and a mortgage. If you don't own a house, consider if it makes sense to buy one, especially if you don't plan to move in two or three years. Homeownership can offer tax advantages and a stable place to live, but don't take on more of a mortgage than you can afford to pay each month.

If you do have a mortgage, periodically compare your interest rate to current market rates and, if rates have declined, calculate whether refinancing makes sense.

"Just because you can get a new mortgage at a better interest rate than what you already have, you've still got to be careful before refinancing," said Luke W. Reynolds, Chief of the FDIC's Community Affairs Outreach Section.

"First," he added, "if you only have a few years left on your mortgage, refinancing doesn't make sense if the costs to refinance are greater than the cost savings from the lower monthly payments. Second, remember that if you stretch out the number of years you have to repay the new mortgage, you will pay more in interest over the total life of the loan."

So, if you have 15 years left on your 30-year mortgage and you want to refinance, in the long run, you're usually better off with a 15-year loan instead of refinancing into another 30-year loan.

For more help or information for people at midlife: Find basic tips on a variety of topics starting on Page 2 of this special edition as well as online at www.mymoney.gov, a U.S. government Web site. For parents teaching kids about money, see our tips on the next page. And for anyone caring for an ill or elderly relative, read our article on Page 13.

For Parents

Teaching Children the Financial Facts of Life

Showing the importance of saving, spending wisely and sharing with others

We try to teach our kids to be street-smart and use good manners, but teaching them the financial facts of life can be difficult. To help parents, guardians and even grandparents raise responsible money-managers, ***FDIC Consumer News*** offers the following suggestions.

Play "show and tell" while you manage your own money. If you expect your kids to become responsible with their money — and yours — practice what you preach. Serve as a good example of what it means to save, spend wisely and share with others. You'll make more of an impression on your children if they can see and hear what you're doing to manage your money.

So, take your child along on shopping trips and discuss what makes some items "too expensive" and others "good buys."

Also take your child to the bank. Note the variety of services provided by visiting different departments of the bank. Explain basic principles, such as how money deposited in insured accounts is protected by the government against loss.

Around the house, let your child help with simple tasks associated with preparing deposits or investments, or balancing the checkbook. As you pay your bills, especially the ones for your credit cards, explain how debts must be repaid on time or you can face additional fees and have trouble getting a good loan in the future.

Also discuss your charitable contributions and why you are making them. Ask your child for input on which charities to support. He or she also can help you prepare contributions, even if just by stuffing checks into envelopes.

Help your child start a savings or investment account. Young kids will enjoy saving money in piggy banks, but at around age eight, think about helping them open a small savings account. That way they also begin learning what banking is all about.

Many parents reward their children for sticking to a savings plan by matching or adding to what the child contributes.

As children get older, discuss the pros and cons of owning investments, such as stocks, bonds and mutual funds. Investments can produce higher returns than bank deposits over the long term, but remember that investments can lose money and they are not insured by the FDIC.

Give an allowance. If used as a teaching tool and not a giveaway, an allowance can be one of the best ways to teach kids, even as young as five or six, about money management. It also allows children to experiment with money management and learn from their mistakes without losing too much in the process.

Encourage them to decide in advance how much should go into savings (which reinforces the concept of "pay yourself first"), how much should go into the spending pile (for their use as "pocket money") and how much should be set aside to share with others — for charity or birthday or holiday gifts. Giving an allowance in small bills or coins also allows them to easily set aside the portions for the different purposes.

Consider gifts that encourage saving. Examples include U.S. Savings Bonds and books that reinforce financial responsibility.

Encourage older children to get work experience. Summer or part-time jobs can teach young people good business skills and how to be responsible. They also may enjoy earning and saving money.

For more help or information for parents: The FDIC has a new financial education program for youths between the ages of 12 and 20 that is primarily for use by teachers but also can help parents explain the basics of good money-management to their children. You can order a free CD of the FDIC's "Money Smart for Young Adults" at www.fdic.gov/consumers/consumer/moneysmart/young.html.

Find other resources on money management for youths from the Jump$tart Coalition® for Personal Financial Literacy, which consists of more than 180 national partners, including the FDIC (go to www.jumpstart.org), and the money pages at www.kids.gov, a federal government Web site for children and educators.

Before You Retire

Getting Your Finances Ready for Your Golden Years

If you're seriously considering retirement, you also should be seriously thinking about how to ensure that your financial life is as comfortable and stress-free as possible. Here are a few tips.

Make the most of your remaining paychecks to save for retirement. How much money you'll need to set aside for retirement — which for many people could last 30 years or more — will depend on a variety of factors. Among them: When do you expect to quit working? Will you continue to earn some income part-time? How much money do you have in savings and pensions? And, what kinds of expenses will you incur for housing and health care?

Because the future is uncertain, it makes sense, while you're still working, to put as much money as possible — 10 to 20 percent of your annual income, if not more — into savings for your golden years. Also make use of employer-sponsored retirement plans (especially if you'll receive matching contributions) and tax-advantaged Individual Retirement Accounts (IRAs).

Try to reduce or eliminate debt. "Another way to save more money now for a more enjoyable retirement later is to cut back on unnecessary expenses," especially if you will need to go into debt to pay for them, said Luke W. Reynolds, Chief of the FDIC's Community Affairs Outreach Section. He said to try to pay off most or all of your credit card balances and other loans to save on interest charges and avoid being burdened with repayment during your retirement years.

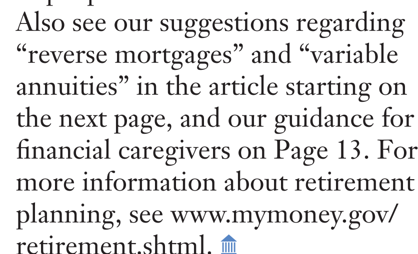
Develop a plan to stretch your money through a long retirement. "The idea is to determine where your money will come from during retirement, so you won't have to live in fear of running out of money," said Susan Boenau, Chief of the FDIC's Consumer Affairs Section.

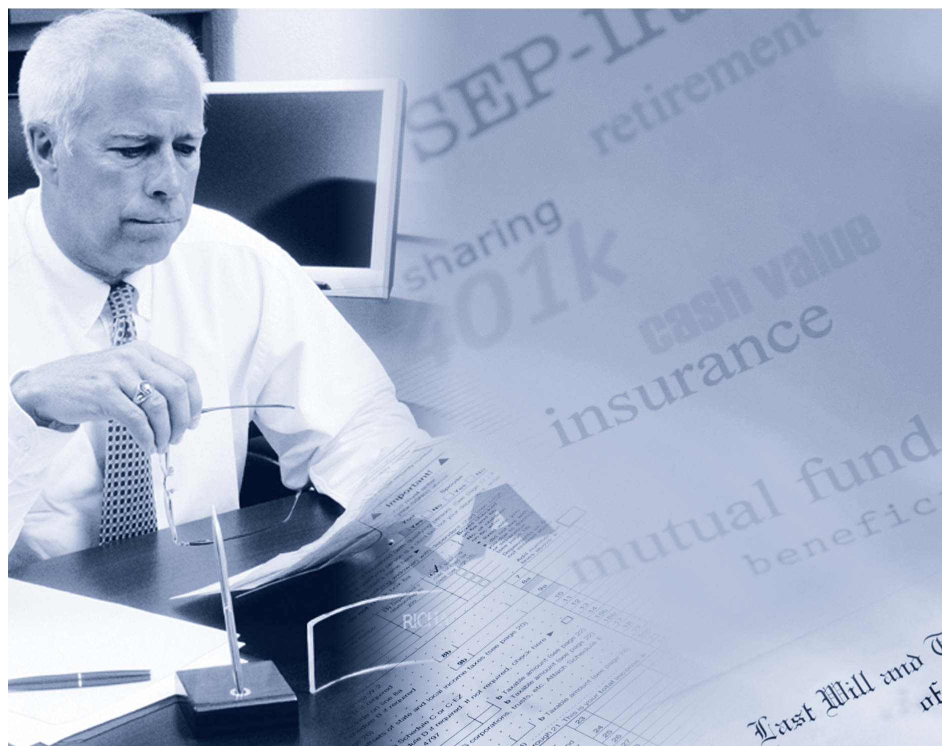
For example, consult with the Social Security Administration (call 1-800-772-1213 or go to www.socialsecurity.gov) or your accountant to learn how much Social Security and pension income you'd get each month if you "retire early" — any time between 62 and your "normal" retirement age — and how much more you would receive if you hold off on retirement. The penalty for starting to collect Social Security payments early can be substantial.

Discuss with a financial advisor how and when to withdraw money from your tax-deferred retirement accounts, such as employer-sponsored retirement plans and traditional IRAs. Also periodically review your retirement portfolio — your mix among stocks, mutual funds, CDs (certificates of deposit), bonds and so on — to be sure it's well-diversified. And as you get closer to retirement, consider a more conservative investment strategy than in the past so you can avoid losses to principal that could mean having to postpone retirement or struggle financially.

For additional guidance, see "Helping Your Money Last...After Your Last Paycheck" in the Fall 2005 ***FDIC Consumer News***, online at www.fdic.gov/consumers/consumer/news/cnfall05/helpingPG2.html#q1.

For more help or information for people nearing retirement: Read our tips for consumers of all ages starting on Page 2, including those regarding annuities, which are investments commonly marketed to people in or near retirement. Also see our suggestions regarding "reverse mortgages" and "variable annuities" in the article starting on the next page, and our guidance for financial caregivers on Page 13. For more information about retirement planning, see www.mymoney.gov/retirement.shtml.





After You Retire

Managing Your Expenses on a Fixed or Reduced Income

Once you've retired, you finally have the opportunity to work at your dream job — keeping *yourself* happy. It's your chance to visit places you've always wanted to see, take up a new hobby and spend more time with your family and friends. But to be successful at this new position, you've got to make the most of your income and investments. Here are suggestions.

Make it easy to manage your money and pay the bills. One way is to have your Social Security benefits, pension payments and other income automatically deposited into your bank account each month. "Direct deposit isn't just safe and reliable — it also ensures that you don't need to schedule your activities around a visit to the bank just to deposit your funds," said Susan Boenau, Chief of the FDIC's Consumer Affairs Section.

Signing up for direct deposit of Social Security or other government payments is easy and free. Contact the U.S. Treasury Department's "Go Direct" hotline at 1-800-333-1795 or visit www.GoDirect.org.

Banks also offer quick and easy money-management and bill-paying services by telephone or online by computer, usually for free or at low cost. With telephone banking, you can monitor your account balance, find out if checks or deposits have cleared, or transfer money between accounts at the same bank. If you have a personal computer with Internet access, you can do your banking and bill paying online 24 hours a day, seven days a week. Be sure you know about any fees.

Make it easy to manage your money and pay the bills. One way is to have your Social Security benefits, pension payments and other income automatically deposited into your bank account each month.

Look for banking services geared to older consumers. Find out if your bank has special accounts, clubs, discounts, events, publications or other services for senior citizens, sometimes including people as young as 50. Comparison shop among several banks to get the best package of services to meet your needs.

Consider a second career or working part-time. "Working longer, even part-time, can allow you to increase your savings and may boost your retirement income," added Boenau. "That alone could also enable you to delay or reduce withdrawals from your savings to cover living expenses."

But if you already are collecting Social Security benefits, find out if income from a job could reduce what you are entitled to collect from the government. Likewise, understand if going back to work could reduce any benefits from an employer's retirement or pension plan.

Be careful with credit cards. You'll probably find that credit cards in retirement are just as necessary as they were when you were younger. But be cautious with your credit cards. If you carry a large balance, you'll pay a lot of money in interest charges for a long time. If you have many accounts and get too deep in debt, your credit record could be damaged, which means you would have a tougher time getting the best deal the next time you apply for a loan, insurance or an apartment.

Another problem with having numerous credit cards is that if you're not closely monitoring your accounts, you can forget to send a payment (and incur late fees and additional finance charges) or you may not notice if a thief has stolen one of your cards and made purchases with it.

Understand the pros, cons and costs before borrowing money with a "reverse mortgage." This is a type of home equity loan — a way to get cash by borrowing money using your home as collateral (see Page 4). But there are some important differences between a reverse mortgage and the traditional home equity loan.

First, a reverse mortgage is available to homeowners age 62 or older. Second, you don't need an income to obtain a reverse mortgage. And third, you don't need to pay back what you owe until you move out of the house, sell the property or die.

While there are potential benefits to reverse mortgages, they don't make sense for everyone. They generally are not advisable if you plan to stay in your home for less than five years or need extra monthly income for relatively small expenses. Among the reasons: The fees associated with reverse mortgage loans can be high. You still will be responsible for maintaining the house and paying property taxes. And,

continued on next page

your beneficiaries won't inherit the full value of the house. They will have to pay off the loan either by refinancing or selling the house.

Also be aware that some unscrupulous individuals or companies have promoted reverse mortgages that were not in the consumers' best interest or that involved extra payments for unnecessary services.

For example, there have been reports of companies attempting to sell questionable home repairs or investments in connection with a reverse mortgage, or they charged a fee for information about reverse mortgages that is available for free from the U.S. Department of Housing and Urban Development (HUD) or other sources. One problem with using any loan product to fund an investment is that you could lose money on the investment and still owe on the loan.

How can you protect yourself? As with any loan you're considering, do some research using information from neutral, unbiased sources, such as HUD. If you later decide that a reverse mortgage is right for you, contact several reputable lenders and read and understand all documents and contracts, perhaps with the help of an attorney you trust, before you agree to anything.

For help or guidance regarding reverse mortgages, go online at www.hud.gov/buying/rvrsmort.cfm or contact a HUD-approved housing counselor by calling toll-free 1-800-569-4287. Also, to receive a reverse mortgage insured by the Federal Housing Administration (FHA), you must first speak with a HUD-approved counselor, who can help you determine if the program meets your needs.

Do your research before purchasing "variable life insurance" or a "variable annuity." Both products are part insurance and part securities.

The first is a type of "whole life" insurance product (also called "permanent life" insurance) for which the policyholder's cash value is invested in one or more portfolios of securities.

The second product is an annuity, for which the consumer invests, through the insurer, in a variety of investment options, typically mutual funds.

Insurance companies issue both products, and anyone who sells them must be registered under state insurance laws and state and federal securities laws.

Although these products provide tax-deferred earnings, you can lose money investing in them. Income and value can move up and down. That's what the "variable" in the name means.

These products also may carry relatively high sales commissions, fees and "surrender charges" if you withdraw money early, typically within the first five to eight years after purchasing the product but sometimes after a longer period.

So, think of variable annuities as long-term investments that can tie up your money for many years. The older you are, the less likely a variable annuity is suitable for you.

Of special concern is that securities and insurance regulators have reported an increase in unsuitable sales of variable products to older investors, who experts say should generally stick to low-risk, low- or no-fee financial products instead of those with potentially high risks and fees.

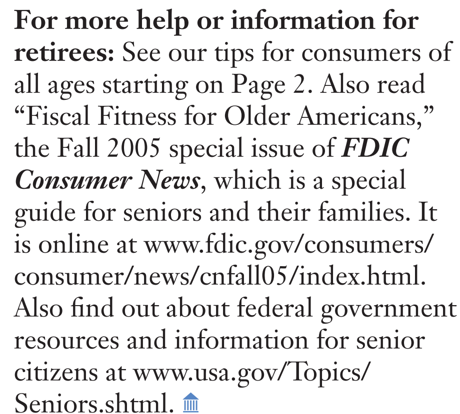
"Before you invest in a variable life insurance or variable annuity product, be sure that you fully understand how the product works, the risk of loss, and the applicable fees and surrender charges," said Victoria Pawelski, an FDIC Policy Analyst. "Carefully evaluate whether the product is suitable for you given your investment objectives and time frame. And beware of high-pressure sales tactics from sales representatives who may have an incentive to generate high commissions and fees."

For more information about insurance and annuities, the National Association of Insurance Commissioners has a Web site (www.insureuonline.org) that includes a special alert for seniors on annuities. The NAIC also provides information on how to contact your state insurance regulator to verify that a company and an individual agent are licensed to sell in your state.

While there are potential benefits to reverse mortgages, they don't make sense for everyone. Among the reasons: The fees can be high. You still will be responsible for maintaining the house and paying property taxes. And, your beneficiaries won't inherit the full value of the house.

For additional guidance about variable annuities and what to consider before buying, the U.S. Securities and Exchange Commission has published investor tips at www.sec.gov/investor/pubs/varannty.htm.

Also consider going to the Web site of the Financial Industry Regulatory Authority (www.finra.org), the largest non-governmental regulator of securities firms operating in the United States. It publishes investor alerts and provides background and disciplinary information about securities firms and brokers that sell these products.



For more help or information for retirees: See our tips for consumers of all ages starting on Page 2. Also read "Fiscal Fitness for Older Americans," the Fall 2005 special issue of ***FDIC Consumer News***, which is a special guide for seniors and their families. It is online at www.fdic.gov/consumers/consumer/news/cnfall05/index.html. Also find out about federal government resources and information for senior citizens at www.usa.gov/Topics/Seniors.shtml.

For Financial Caregivers

Helping Disabled or Elderly Relatives With Money Management, Even From Far Away

Millions of people serve as financial caregivers for ill or elderly spouses, parents, children or other loved ones. They perform services that include paying bills, handling deposits and investments, filing insurance claims and preparing taxes. Because this role can be costly and physically and emotionally exhausting, especially for a caregiver who lives far away or has the usual time-demands, ***FDIC Consumer** News* offers some suggestions.

Preventive Measures

Consider taking these steps before someone becomes ill or disabled:

Make sure the family knows where to find personal and financial documents in an emergency. These include bank, brokerage and credit card statements; original wills; insurance policies; and Social Security, Medicare and pension records.

Think about the direct deposit of pay and benefit checks into bank accounts. Direct deposit is safer and more convenient than paper checks. There are no delays in getting funds deposited, and no checks are lost or stolen in the mail or forgotten at home.

Consider automatic payment of important, recurring bills. You will have one fewer thing to worry about if you can arrange for utility bills as well as other regular commitments (such as insurance and the mortgage) to be paid electronically out of your loved one's checking account.

Try to make sure your elderly relatives are properly insured. If you have doubts about someone's insurance coverage or ability to pay for long-term care, get a second opinion from a financial planner or an insurance agent you trust.

Consider a "durable power of attorney." This is a legal document giving one or more people the authority to handle finances or other personal matters if the individual becomes mentally or physically incapacitated.

Suggest a "living will" or other instructions about future medical care. Most people should have a living will specifying the type of medical care they want or don't want if they become terminally ill and are unable to communicate their wishes.

Experts also recommend a "health care power of attorney" or "health care proxy" designating a family member or other trusted person to make decisions about medical treatment.

Living wills and health care proxies are intended to ensure that someone's wishes regarding medical care are honored, but they also can prevent unnecessary and costly procedures.

After an Illness or Disability

The following should be on a family's checklist after a serious health problem:

Get solid financial and legal advice from professionals you know and trust. Contact bankers, lawyers, accountants, insurance agents or financial planners your family has dealt with in the past. Ask how they'd recommend you deal with money matters and how they can assist.

Guard against frauds that target the vulnerable. Among the saddest and costliest issues facing families is fraud and theft committed against the disabled or elderly by unscrupulous relatives, contractors, caregivers, friends, neighbors or other individuals. These sinister acts cover a wide range of lies and deception, including cashing checks without permission and changing legal documents to give this other person rights to conduct transactions or take ownership of property.

"First, it helps to have a trusted family member who is in regular contact with a disabled or elderly relative and, if necessary, helps review bank and investment account statements to look for unusual activity," said Linda Ortega, an FDIC Community Affairs Officer. "Beyond that, there are precautions to take, including arranging for direct deposit of Social Security or government payments, and making sure that checkbooks and credit cards are properly protected."

To learn more about how to avoid or report elder fraud, contact your state's Adult Protective Services department.

For more help or information for financial caregivers: The U.S. Administration on Aging (AoA), part of the Department of Health and Human Services, helps older Americans and their caregivers connect with state and local government agencies and community-based organizations that can assist with a variety of problems. Call 1-800-677-1116 or go to www.eldercare.gov to use the AoA's Eldercare Locator service and obtain valuable information. Also find resources for caregivers from the U.S. government at www.usa.gov/Citizen/Topics/Health/caregivers.shtml.

For Major Life Events

Ways to Cope Financially During and After a Big Change

Here are suggestions for staying focused and avoiding costly decisions during changing times.

• **Getting married.** Newlyweds should say "I do" to a plan to manage money together responsibly. Before getting married, a couple should understand each other's attitudes toward saving and spending money. And to avoid big surprises, they also should know about any major outstanding debts held by their partner. A husband and wife also should set short-term and long-term financial goals. For more specifics, see the article on Page 7.

• **Buying your first home**. For most people, buying a home will be the biggest expense of their life, starting with the initial purchase (including a "down payment" and fees paid to the lender and others) followed by years of monthly mortgage payments, real estate taxes, insurance and maintenance costs. But homeownership often can be a tremendous (perhaps your best) investment and a source of tax breaks as well as stability. To learn more about the basics of renting vs. buying a home, see Page 7.

• **A new child**. A new member of the family brings extra financial responsibilities. You can have one fewer thing to interrupt your sleep at night if you get the family finances in shape. Start by getting spending under control (preferably with a budget, as described on Page 6). Also build your savings accounts for short-term expenses (especially if a spouse will be leaving a job) and long-term needs (including college tuition costs). In addition, review and update your insurance coverage (life, health, disability) and wills (to designate who will raise the child and handle finances in case of your death).

• **The death of a family member**. Contact the deceased person's attorney and other financial advisors. Before committing to any funeral costs, consult with other family members and the lawyer about any prior instructions or arrangements.

Locate important documents, such as insurance policies and the most recent will (an original, not a copy). Obtain multiple copies of the death certificate, which will be needed to apply for death benefits (such as through life insurance policies or Social Security) and to access bank and brokerage accounts.

If the family's medical insurance is through the deceased person's employer, consider options for continuing coverage.

Also, if your family has deposits of more than $100,000 at one bank, and one of the depositors or beneficiaries dies, you should review the coverage to determine whether funds exceed the insurance limits. The FDIC's rules allow a six-month grace period after a depositor's death to give survivors or estate planners a chance to restructure accounts. But if you fail to act within six months, you run the risk of, for example, joint accounts becoming part of the survivor's individual accounts, and that could put the funds over the $100,000 limit. Also note that the death of an owner or a beneficiary named in trust accounts can reduce the deposit insurance coverage.

For more guidance about deposit insurance coverage, go to the FDIC's Web site or contact us (see the back page).

• **A medical emergency.** First, carefully review all doctor and hospital bills and insurance claim payments/denials, because mistakes do happen and uncorrected errors can be costly. If you are unable to resolve a billing dispute with a doctor, hospital or insurer, contact your state consumer protection office or insurance regulator for guidance.

Think twice before using credit cards to pay for large medical expenses, especially if you are already deep in debt or if it will take years to pay off the card balance, in which case the interest charges could add up significantly.

If you can't afford your medical or hospital charges, don't allow the debt to be turned over to a collection agency, which could damage your credit score. Instead, contact the service provider's billing department to try to negotiate a reduced bill or a payment plan with monthly payments. Also ask about assistance from a government program or charitable organization.

You can also consider turning to a credit counselor for guidance, but choose one carefully because some offer questionable or expensive services and others may be scams. For guidance on choosing a credit counselor, see a Web site from the Federal Trade Commission at www.ftc.gov/bcp/conline/pubs/credit/fiscal.shtm.

If your medical bills are sufficiently high, you could qualify for a federal tax deduction, so be sure to save bills and cancelled checks or other receipts for your tax preparer.

• **A divorce**. Consult legal counsel because uninformed decisions could cost you. Also consider discussing tax issues with an accountant or other

advisor because certain decisions, such as who will claim children on his or her tax return, can affect each parent's tax liability. For more information, see IRS publication 504, "Tax Information for Divorced or Separated Individuals," online at www.irs.gov/pub/irs-pdf/p504.pdf.

You also may be able to reduce some legal fees by working with a mediator to resolve issues such as child custody.

Cancel joint credit cards to prevent the other spouse from running up large bills. Start or build your own credit history independent of the marriage, such as by opening a new credit card in your name only. Decide who is responsible for debts incurred during the marriage. If you change your last name, notify the major credit bureaus (www.equifax.com, www.experian.com and www.transunion.com).

It's also important that you update your will and the list of beneficiaries you designate on life insurance policies, retirement savings accounts and U.S. Savings Bonds, so your money and other assets will go to the right people upon your death.

• **A job loss.** Try to keep spending under control so you can pay your bills using existing bank and brokerage accounts for, say, the next three to six months. If possible, avoid withdrawing or borrowing money from your retirement savings. If you anticipate problems paying debts, such as your mortgage or the minimum due on your credit card (see the next two sections), contact your creditors immediately and attempt to work out a payment plan.

One reason to keep loan and credit card payments current is so that you can maintain the best possible credit record. Prospective employers may review your credit reports when you apply for a new job.

Also, carefully review your employer's severance benefits, including the temporary continuation of your salary and health insurance, and try to negotiate a better deal.

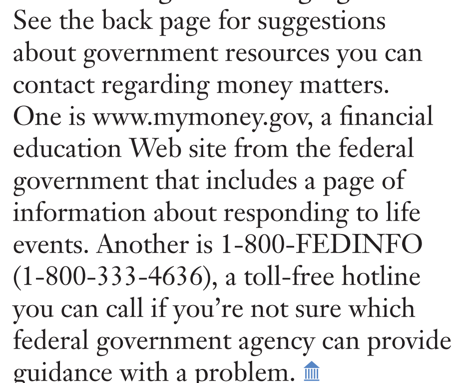
• **You can't make your mortgage payment.** Regardless of the cause, if you're having difficulty paying your mortgage, you should contact your loan servicer and find out if you qualify for modified loan terms or other options to help you keep your home instead of losing it to foreclosure.

You may also want to seek help from a trained homeownership counselor. To find a reputable counselor, contact the Homeowner's HOPE Hotline at the Homeownership Preservation Foundation (1-888-995-4673 or www.995hope.org) or the U.S. Department of Housing and Urban Development for a referral to a HUD-approved homeownership counseling agency (1-800-569-4287 or www.hud.gov/offices/hsg/sfh/hcc/hcs.cfm).

• **You're having problems making credit card or other loan payments.** No matter what triggers a personal financial crisis, the important thing is to be proactive and address the problem as soon as possible by contacting your lender to try to negotiate a long-term, workable solution.

And if you need help negotiating with a lender or otherwise getting a debt problem under control, consider asking an attorney, accountant or another trusted advisor to refer you to a reliable credit counselor (see Page 14) who, at little or no cost, can help you develop a recovery plan. If you're facing problems on a loan secured by your home, including a home equity loan, see the previous bullet point about mortgage payments.

For more help or information when dealing with changing events: See the back page for suggestions about government resources you can contact regarding money matters. One is www.mymoney.gov, a financial education Web site from the federal government that includes a page of information about responding to life events. Another is 1-800-FEDINFO (1-800-333-4636), a toll-free hotline you can call if you're not sure which federal government agency can provide guidance with a problem.



FDIC
Consumer News

Published by the Federal Deposit Insurance Corporation

Sheila C. Bair, *Chairman*

Andrew Gray, *Director, Office of Public Affairs (OPA)*

Elizabeth Ford, *Assistant Director, OPA*

Jay Rosenstein, *Senior Writer-Editor, OPA*

Mitchell Crawley, *Graphic Design*

FDIC Consumer News is produced quarterly by the FDIC Office of Public Affairs in cooperation with other Divisions and Offices. It is intended to present information in a nontechnical way and is not intended to be a legal interpretation of FDIC or other government regulations and policies. Mention of a product, service or company does not constitute an endorsement.

This publication may be reprinted in whole or in part. Please credit ***FDIC Consumer News***.

Send your story ideas, comments, and other suggestions or questions to: Jay Rosenstein, Editor, ***FDIC Consumer News***, 550 17th Street, NW, Washington, DC 20429 jrosenstein@fdic.gov

Find current and past issues of *FDIC Consumer News* at: www.fdic.gov/consumernews. Refer to that same index to locate issues that are specially formatted for being reprinted in any quantity.

To receive an e-mail notice about each new issue with links to stories, follow instructions posted at: www.fdic.gov/about/subscriptions/index.html.

For More Information from the FDIC

Go to www.fdic.gov or call toll-free 1-877-ASK-FDIC — that's 1-877-275-3342 — Monday through Friday 8:00 a.m. to 8:00 p.m., Eastern Time.

For More Help or Information on Managing Your Money

The Federal Deposit Insurance Corporation has staff and other resources that can answer questions about deposit insurance and banking and can help resolve questions or complaints involving an individual institution.

Start at www.fdic.gov/quicklinks/consumers.html or call toll-free 1-877-ASK-FDIC (1-877-275-3342). FDIC publications, including our quarterly ***FDIC Consumer News*** and articles referred to in this special guide, are available at that same Web site and telephone number (select the option for "FDIC publications").

You can also e-mail us using the Customer Assistance Form at www2.fdic.gov/starsmail or send a letter to the FDIC, Division of Supervision and Consumer Protection, 550 17th Street, NW, Washington, DC 20429-9990.

Other federal regulators of financial institutions publish consumer information and have staff, Web sites and other resources that can help answer questions on financial matters. Start at www.mymoney.gov, the federal government's central Web site about managing your money. It is a service of the interagency Financial Literacy and Education Commission, of which the FDIC is a partner.

Other federal, state and local government agencies publish consumer information, offer financial education classes and help answer questions on money matters.

For more help from the U.S. government, start at www.usa.gov/Citizen/Topics/Money_Taxes.shtml or call toll-free 1-800-FEDINFO (1-800-333-4636). Also check out the financial information and programs offered by the U.S. Department of Agriculture in partnership with the Cooperative Extension System (go to www.csrees.usda.gov/financialsecurity). One of Cooperative Extension's projects is an interactive Web site featuring answers to more than 1,100 frequently asked questions on personal finance and the opportunity to "ask an expert" from a university (www.extension.org/personal+finance).

You can also find additional information at your state or local government's Web site or by calling a consumer affairs office listed in the government pages of your phone book.

Financial institutions, consumer organizations and the news media publish personal finance tips you can find by searching the Internet.