

TEN (or more) TIPS for LIVING AN INFORMED FINANCIAL LIFE

I. MANAGE MONEY SMARTER

- A. FINANCIAL PLANNER – TIAA-CREF;
or www.cfp.net (888-237-6275);
or Fred Marks (310-451-8600)

- B. Pay Equifax \$7.50 to obtain FICO score, i.e. 560 = 10.2%,
760 = 6.2% on mortgage.

- C. Raise your FICO score:
 - 1. Pay down balances;
 - 2. Call your issuer and ask for a higher credit limit – don't use it.

- D. Say **NO** to extended warranties.

- E. Estimate your life insurance needs (www.life-line.org) - Life insurance is not an investment.

- F. Save on automobile insurance by raising the deductible.

- G. Claim more exemptions on your W4.

- H. Sign up for flexible spending account for health and dependent care – your employer takes pre tax dollars and you tap the (125) account within the year time limit or lose the unclaimed balance.

Professor Dagmar V. Halamka
Attorney at Law
Mediator
213-740-6534 halamka@usc.edu

I. Run a Retirement Plan to ascertain if you are on track by your adviser or on-line. -- Pull out retirement and investment account statements and go to CNN.money.com/tools to chart your position.

J. Tap accounts in the following order for retirement:

1. Pension distributions (annuity);
2. Earned income from employment;
3. Income from dividends and interest;
4. Social Security if not delayed.

EXCEPTION –

If your tax bracket is low, take money from deferred retirement accounts –
15% tax bracket for 2007 is up to \$63,700 for a married couple.

K. Draw on any assets that are in cash – lower the amount of taxes paid on future interest and dividends.

L. Defer IRA's, 401(k)s as long as possible (watch government regulations) to take advantage of tax deferred growth and reduce your annual tax payment.

M. Exhaust other assets before spending ROTH IRA – no future taxes.

N. Own STOCK – Standard and Poor's has gained 10.2% since 1925.

1. MORNINGSTAR – a good predictor of fund performance – best has a rating of five stars.
2. Diversify to more bonds and money market as you get older – Rebalance and recalculate your risks.
3. Look for funds with low fees – Do not pay more than 1% a year for U.S. diversified funds.

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II. HOME OWNERSHIP
On Sale or transfer

J. 15, 20, or 30 year loans.

K. \$500,000 capital gain exempt on sale by a married couple.

L. One million dollar umbrella policy (\$210) consider 2-3 M.
Take photographs of every room

M. Prop's 60 and 90.

N. Living Trust – Will – NO PROPERTY TAX REASSESSMENT.

O. Durable Power of Attorney for Health Care.

P. Durable Power of Attorney for Estate.

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FACTLETS:

1. Pension earned in California is taxed in state of residence at time of receipt.
2. Three day cancellation rule.
3. Credit cards disputes over \$50.00.
4. How to make non-refundable airline tickets refundable.
5. Collect \$60.00 per month Retirement Health Stipend Benefit – if eligible.
6. Home deliveries – 4 hour rule.
7. College students can earn money by tutoring K-6 grade.
8. Check to see if you can obtain cell phone discounts through your employer. Go to www.verizonwireless.com to get discount and plug in your email address; for AT&T go to www.wireless.att.com
9. Save \$10 a week (buy Brita water filter) at end of 20 years, the savings will total \$25,000.