

## Five Dos and Don'ts That Can Help You Achieve Greater Financial Security

With the unemployment rate slowly falling, many Americans are facing a healthier job market and trying to get their financial lives back on track. Drawing on the findings of the FINRA Investor Education Foundation's National Financial Capability Study of more than 25,000 Americans, the FINRA Foundation has developed five tips to help consumers both manage their day-to-day financial challenges and build a brighter financial future in 2014.

**Do Take Advantage of Tax Breaks When Saving for College and Retirement.** If you have financially dependent children, try to save for college using tax-advantaged savings accounts such as a 529 plan or Coverdell Education Savings Account. The FINRA Foundation's Study revealed that only 34 percent of respondents with financially dependent children are setting aside money for their children's college education.

While many Americans are not prepared for retirement, and only 54 percent of non-retired respondents have some kind of retirement account, workers should use tax-advantaged savings accounts like 401(k)s to save money on taxes and boost their retirement security. Contributions to a traditional 401(k) are not subject to income tax withholding and are not included in your taxable wages—and earnings on Roth 401(k) contributions are tax-free. In 2014, you can contribute up to \$17,500 to your 401(k)—and if you're aged 50 or over, you can contribute an additional \$5,500 for a total of \$23,000. FINRA tools and resources help consumers save for [college](#) or [retirement](#).

**Do Your Best to Bust Your Debt.** More than two out of five Americans (42 percent) we surveyed felt that they have too much debt—regardless of their income. The best way to avoid an endless cycle of credit card debt is to try to pay your credit cards in full and on time. If you have racked up credit card debt, pay it off

as quickly as possible. Even if you are unable to pay your whole monthly bill, always pay more than the minimum due, which will reduce the amount of interest you will pay. Millennials should take extra care when using credit cards. The FINRA Foundation's Study found that 52 percent of Americans aged 18-34 reported engaging in expensive credit card behaviors, compared with the national average of 41 percent. FINRA Foundation resources can help you avoid the [debt trap](#).

**Don't Chase Yield.** Investors face a difficult investing environment, with low yields on fixed-income investments and an economy on the mend. Some investors may opt to "chase return," meaning they put their assets into riskier and sometimes esoteric products that promise higher yields and returns than they can obtain in more traditional investments. Investors should realize that they could be taking on more risk if they invest in products with higher returns. FINRA helps investors make smarter [investing decisions](#).

**Don't be Part of the 39%.** We asked Americans if they would be able to come up with \$2,000 if an unexpected need arose in the next month, and nearly two in five respondents (39 percent) said they probably or certainly could not. If your finances are unable to withstand an unexpected challenge (if the transmission in your car fails, for example, or a tree limb crashes through your roof) you are financially fragile. The best way to avoid being financially fragile is to build up rainy day savings in a federally insured savings account. Even if you have no savings at all, if you can set aside \$40 every week in an account you otherwise do not touch, then by this time next year you will have saved over \$2,000 and won't be a part of the 39 percent.

**Do Check Your Credit Report and Score.** You need to do both. Only 42 percent of survey respondents stated that they had obtained a copy of their credit report and only 41 percent had checked their credit score within the past

12 months. With credit hard to obtain and identity theft a continuing problem, it is critical to verify whether your credit history is accurate and correct any discrepancies immediately. Learn more about how your credit score affects you and what [helps and hurts your credit score](#). For your free credit report, call (877) 322-8228 or visit [www.AnnualCreditReport.com](http://www.AnnualCreditReport.com).

## What to Do if You Have a Problem

If you believe you have been wronged or see a mistake in your account, act quickly. Immediately question any transaction or entry that you do not understand or did not authorize. Don't be timid or ashamed to complain. The securities industry needs your help so it can operate successfully. Here are the steps you should take:

- If you think it's a minor mistake, talk to your broker. This may be the fastest way to resolve the problem.
- If you can't resolve the problem with your broker or you believe your broker engaged in unauthorized transactions or other serious misconduct, report the matter to the firm's management or compliance department in writing.
- If you and your firm still can't resolve the problem, contact us. You can file a complaint using our [complaint form](#) available online at [www.finra.org](http://www.finra.org). If you are seeking to recover money, you may want to consider arbitration or mediation.

To receive the latest Investor Alerts and other important investor information sign up for Investor News at [www.finra.org](http://www.finra.org).

1735 K Street, NW  
Washington, DC 20006-1506  
[www.finra.org](http://www.finra.org)

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## Investor Resources

**FINRA Investor Information**—Investor Alerts, tools and much more to help you invest smarter and safer.

- Investor Alerts
- Smart Saving for College
- Fund Analyzer
- Smart Bond Investing
- Smart 401(k) Investing
- Financial Calculators

Website: [www.finra.org/investor](http://www.finra.org/investor)  
Phone: (202) 728-6964

**FINRA Market Data**—Data on equities, options, mutual funds and a wide range of bonds, including real-time corporate bond prices and FINRA-Bloomberg Bond Indices.

Website: [www.finra.org/marketdata](http://www.finra.org/marketdata)

**FINRA BrokerCheck**—Check the background of a broker or brokerage firm.

Website: [www.finra.org/brokercheck](http://www.finra.org/brokercheck)  
Toll-free: (800) 289-9999

**FINRA Investor Complaint Center**—If you feel you've been treated unfairly.

FINRA Investor Complaint Center  
9509 Key West Avenue  
Rockville, MD 20850-3329  
Website: [www.finra.org/complaint](http://www.finra.org/complaint)  
Fax: (866) 397-3290

**FINRA Dispute Resolution**—If you seek to recover damages.

FINRA Dispute Resolution  
One Liberty Plaza  
165 Broadway, 27th Floor  
New York, NY 10006  
Website: [www.finra.org/ArbitrationMediation](http://www.finra.org/ArbitrationMediation)  
Phone: (212) 858-4400  
Fax: (212) 858-4429

## FINRA

FINRA, the Financial Industry Regulatory Authority, is an independent regulatory organization empowered by the federal government to ensure that America's 90 million investors are protected. Our independent regulation plays a critical role in America's financial system—at no cost to taxpayers. We register brokers and brokerage firms, write and enforce rules governing their activities, examine firms for compliance, and foster market transparency and educate investors. For more information, visit [www.finra.org](http://www.finra.org).