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Money Management Tips for Average Folks

Quick Money Saving Moves to Take If You Lose Your Job

Sure, investigating unemployment funds and health insurance coverage to bring costs is key, but there are a few steps you can take that may seem small but that can actually make a big difference overall. Here are three:

1 READ YOUR BILLS

Companies often hide discounts in their bills to see if customers are reading them.

2 USE YOUR LIBRARY

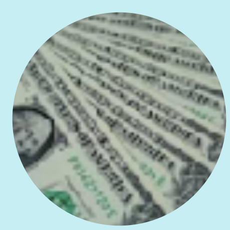
Not just for books, libraries often have tech classes & free streaming services.

3 BRUSH YOUR TEETH

Dental work is a very expensive healthcare costs so be sure to rinse and floss regularly.

Charity
Travel to a charity event can be included in your tax deduction.

Credit Cards
Get down to one card if possible - the one with the best benefits for you.



Credit Rating
Even paying an extra $25 a month on credit cards can help your credit rating.

DON'T BE AFRAID OF YOUR 401K

Sadly, there are people who don't take advantage of their employer's savings plan because they don't understand it or fear the paperwork involved. The truth is investing in a 401K is not difficult and signing up is fairly easy. The key thing to remember is that it's FREE MONEY. The basic premise is that it's a savings plan that takes money right out of your pay before you even get your check. The free money part comes in when your employee matches whatever you put in the account. That match is usually around 3%. You can start with as little as $25 a paycheck. The money goes into a managed fund and can grow based on how the 401K fund manager invests it. More on these funds in our next newsletter. For now, sign up! If you need help, just ask your HR Department.

Don't Have Enough Cash to Purchase Property Outright? You Can Still Invest in Real Estate.

One of the ways that individuals with little cash can get in on the property market is though a Real Estate Investment Trust (REIT).

A REIT is created when a corporation (or trust) uses investors' money to purchase and operate income properties. REITs are bought and sold on the major exchanges, like any other stock. Like regular dividend-paying stocks, REITs are a solid investment for stock market investors who desire regular income.

REITs afford investors entry into nonresidential investments, such as malls or office buildings, that are generally not feasible for individual investors to purchase directly. More importantly, REITs are highly liquid because they are exchange-traded. In other words, you won't need a realtor and a title transfer to help you cash out your investment.

In practice, REITs are a more formalized version of a real estate investment group.

Finally, when looking at REITs, investors should distinguish between equity REITs that own buildings, and mortgage REITs that provide financing for real estate and dabble in mortgage-backed securities (MBS). Both offer exposure to real estate, but the nature of the exposure is different. An equity REIT is more traditional, in that it represents ownership in real estate, whereas the mortgage REITs focus on the income from mortgage financing of real estate.