



## AN IMPORTANT MESSAGE FROM THE PRESIDENT'S ADVISORY COUNCIL ON FINANCIAL LITERACY

December 4, 2008

“We believe that the current economic crisis underscores the need to increase financial literacy among all Americans. The President formed this Advisory Council for expressly that purpose. We are committed to increasing awareness of the tools and resources that are available to all Americans to help them better understand and manage their finances. We encourage all Americans to review the tips below and take advantage of the links to useful information that will help improve their understanding of their financial situation. In these times of uncertainty, the need to be financially literate has never been more important.”

### Tips to Managing Your Money in Challenging Times

- 1. Understand how your bank or credit union account is insured.** The Federal Deposit Insurance Corp. (FDIC) or the National Credit Union Administration (NCUA) insures all deposits at insured banks and credit unions up to at least \$250,000. To check whether your financial institution is insured visit [http://www2.fdic.gov/idasp/main\\_bankfind.asp](http://www2.fdic.gov/idasp/main_bankfind.asp) or [NCUA.gov/ShareInsurance/index.htm](http://NCUA.gov/ShareInsurance/index.htm).
- 2. Understand how your investments are protected.** Brokerage firms are required to be members of the Securities Investor Protection Corporation (SIPC), which insures customer securities accounts up to \$500,000, including \$100,000 in cash claims, when a brokerage firm fails. To learn more about these protections, visit <http://www.sec.gov/answers/investoralert.htm>.
- 3. Always keep lines of communication open with your mortgage lender.** As soon as you know you may have difficulty meeting your mortgage or home equity loan payments, contact a counselor to work out a payment plan at [HOPENOW.com](http://HOPENOW.com) or by calling 888-995-HOPE (4673).
- 4. Protect your credit score.** Only put on your credit cards what you can afford to pay back. For other hints on improving your credit score, visit [controlyourcredit.gov](http://controlyourcredit.gov). Also, to protect against identity theft, get a free copy of your credit report at [annualcreditreport.com](http://annualcreditreport.com).

**5. Make sure you have a rainy day fund.** Keep an emergency fund worth three to six months of your monthly expenses in an insured account. If you don't have an emergency fund, try to start one. Visit the budget calculators on [www.controlyourcredit.gov/html/debt\\_management.html](http://www.controlyourcredit.gov/html/debt_management.html).

**6. Don't try to cut costs by canceling your insurance.** Keep up with your insurance payments, and you'll keep in place your protection against medical costs or major loss of personal property, like your home or car. Learn more in the Life Events section on [MyMoney.gov](http://MyMoney.gov).

**7. If it sounds too good to be true, it probably is.** Watch out for scams trying to take advantage of all of the recent changes in our nation's financial markets. Educate yourself at [FTC.gov](http://FTC.gov).

*To learn more about your money, visit [MyMoney.gov](http://MyMoney.gov). For more information on the President's Advisory Council on Financial Literacy, visit the U.S. Treasury Department's Office of Financial Education web site at [Treas.gov/ofe](http://Treas.gov/ofe).*

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