

## Financial Strategies for 2009



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It's official, we are in the midst of the worst recession that the country has seen in many decades. How long it will last is anyone's guess. The following are a few tips that can help you weather the storm.

1. **Build your cash reserves.** In today's environment cash is king (or queen if you prefer). Too many people have fallen into the trap of using credit cards or home equity in the event of unexpected expenses. Adequate cash reserves allow you to sleep well at night, ride out the bad market and avoid having to sell other assets when they are down.
2. **Refinance high interest rate debt.** The Fed has cut rates to an all time low. Take advantage of the opportunity to refinance your existing mortgage, home equity and higher rate credit card debt. If you are still carrying a variable rate mortgage, now is the time to convert to a fixed rate.
3. **Live beneath (not within) your means.** Take a hard look at your monthly cash flow and make an honest assessment of what is a "need" and what is a "want". Everyone has expenses that could be cut if necessary.
4. **Control your costs.** Taxes and investment expenses can have a major impact on your overall investment returns. Be sure that you are taking these costs into consideration when making financial decisions.
5. **Keep your head about you.** It's easy to get caught up in the doom and gloom from the media. Avoid making decisions based on fear and emotion. Continue to invest in your retirement plans to the fullest extent possible. This just might be the buying opportunity of a lifetime!

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