

# Saving and Managing Your Money During a Recession



*During hard times such as a recession, everyone is focused on protecting, preserving, and saving money and financial assets. This article will focus on some essential things you can do to protect your money and make it easier to sleep at night when times are tough.*

## **MYMoney.Gov—A Great Place to Start**

The Financial Literacy and Education Commission was established by the Federal Government with the purpose of improving financial literacy and education in the United States. They have an excellent website with the title MyMoney.gov. They also have a toll free phone number 1-888-MYMONEY.

The MyMoney.gov website is broken out into a number areas such as: Budgeting&Taxes, Credit, Financial Planning, Home Ownership, Paying for Education, and Retirement Planning. Probably the most useful section of the site is called Responding To Life Events. This section of the website deals with the financial impact of life changing events such as the birth of a child, death of a family member, disability, foreclosure, marriage and divorce and many other events like these. MYMoney.gov is an excellent place to start learning how to protect and preserve your finances during hard times.

## **Know and understand your Protection**

Most people have their checking and or savings accounts in either a bank or credit union. The FDIC (Federal Deposit Insurance Company) and the NCUA (National Credit Union Administration) both insure all of your deposits to certain limits. It used to be that the limit was \$100,000 for both the FDIC and NCUA, but in October of 2008 those limits were changed to \$250,000 until December of 2009. To check whether your bank is federally insured, visit the FDIC or NCUA website.

If you have a brokerage account for your investments such as stocks and bonds or your 401K or IRA, brokerage firms also insure these accounts just like the Banks and Credit Unions. The current insurance limits are \$500,000 for securities accounts and include \$100,000 in cash claims when a securities or brokerage firm fails. To get more information about these protections, visit the US Securities and Exchange Commission and the Securities Investor Protection Corp websites.

## Take Advantage of Federal Incentive Programs



In hard times such as a recession, the Federal Government typically creates many incentives for consumers to spend money and save on their taxes. For example, in 2008, the Federal Government through the Housing and Economic Recovery Act of 2008 authorized the first-time homebuyer tax credit, which expires on June 30, 2009. For first-time homebuyers, who do not have enough money saved (or gifted) to qualify for a loan, this newly enacted legislation, provides a tax credit of as much as \$7,500. For more information, see this article: [First Time Homebuyer Financial Assistance](#) or this article: [A Guide for First Time Homebuyers](#)

## Keep Track of Your Credit Score and Protect Against Identity Theft

There are lots of companies and websites that will help you keep track of your credit score and help you monitor credit activity on your accounts. Many of these websites advertise that their services are free, but most of them try to get you to pay for something.

There is however, one real free credit report service with no "gotchas" and it is actually provided by the Credit Reporting agencies (Experian, Equifax, and TransUnion). These credit reporting companies are required by law to provide you with at least one free credit report per year and they have setup a joint website for this purpose. You can get that free credit report by visiting: [AnnualCreditReport.com](http://AnnualCreditReport.com).

## **Avoid Foreclosure**

If you think you might have trouble making your mortgage or home equity loan payments contact a counselor at HopeNow.com or by calling them directly at 888-995-4673. HopeNow is an alliance between counselors, servicers, investors, and other mortgage market participants to maximize outreach efforts to homeowners who are in financial trouble and help them stay in their homes..

## **Avoid Canceling Insurance to save Costs**



Insurance is just that, it is designed to protect you against large medical expenses or from incurring losses on your personal property like your car or home. Canceling your insurance can just make a bad situation worse. Instead look for ways to save money on your insurance. To save on your homeowners insurance, take a look at these two articles: [12 Ways to Save on Your Homeowners Insurance](#) and [How to Shop for Homeowners and Flood Insurance](#)

## **Avoid Easy Money Scams**

During tough economic times its easy to succumb to easy money/get rich quick scams. One of the most prevalent scams these days is the "Work-At-Home" scam. One thing to watch out for is any work at home job offer that requires you to pay money upfront for training. Also, be wary of any offer that requires you to make a decision today-no legitimate company will work that way. Always research the company that is offering the work and they should be happy to give you legitimate references. There are legitimate companies that do offer real work-at-home jobs, (typically cellphone and outsourced billing companies) however, they are few and far between. Finally, the old adage, if it sounds too be good to be true then it is, holds true most often. For more tips on avoiding scams, see this article: [How to Avoid Scams](#)

## **Look for Ways to Save Money on Utility Bills**

Saving money on your utility bills such as your Cable bill or your Cellphone bill is not as hard as you think. A quick call to your provider might save you money without changing your service. Most of the large Cable, Satellite, and Cellphone firms have trained customer services representatives to respond to the customer question "I'm looking to cut back my monthly expenses, how can you help?" They sometimes have surprising options that are not generally advertised that allow for excellent savings on monthly charges. For more information on saving money on your Cable or Satellite TV bill see this article: [Saving Money On Your TV Bill](#) and for saving money on your cellphone bill, see this article: [Save Money on Your Cell Phone Bill](#).

## **Save Money on Your Home Technology**

Just like a business, during tough times, a family should look at all their expenditures and see where they can save money. Most families can reduce what they spend on technology without giving up any of the technological benefits that they currently enjoy. All it takes is some good decision making, some phone calls, and a little planning. See this article to learn how to: [Save Money On Your Family Technology Needs](#). Also, this article will show you how to: [Renegotiate Your Technology Services in a Recession](#).