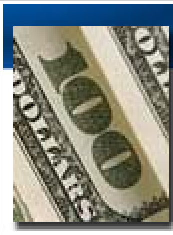
Practical Tips To Enhance Your Financial Freedom



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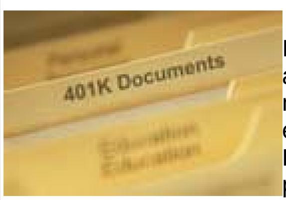
Credit Scoring

Within the next nine months, all US consumers will be eligible to retrieve one free credit report per year as part of a new US Government law. The law will be phased in from the West to East coast in stages, and the three credit reporting companies have set up a central web site (www.annualcreditreport.com) to allow Americans to obtain this information. You may be shocked to find who is peeking at your credit.

Credit scoring is now used in court houses, work places, and rental offices, with 3-digit numbers being used to assess one's character. Utility, cable, and cell phone providers also check your credit. Auto and property insurance companies calculate their internal insurance scores from a credit report, paying specific attention to debt and derogatory marks. This is due to the fact that statistically, people with poor credit file more claims.

One little-known fact about credit scoring is that 30% of the score is calculated based on existing debt versus available credit. This category is nearly as important as the amount of delinquencies one has, which weighs in as having a 35% impact on the overall score. For this reason, it is not prudent for a consumer to close credit card accounts. Such action reduces the amount of available credit and increases the ratio of debt-to-available credit.

401K Advisement - It's Coming Your Way



It wasn't long ago that with a 401k you had little-to-no assistance in determining where to place your funds and how to maneuver the money in accordance with the ever-evolving economy. In the aftermath of corporate meltdowns such as Enron and WorldCom, in which many Americans lost their pension funds, the Retirement Security Advice Act (HR 2269) was passed by both the House and Senate in an effort to revise the Employee Retirement Income Security Act (ERISA) and help protect Americans' investments by providing assistance with retirement account management.

At this time, 22% of all 401k programs have instituted investment management and there is more to come. When you sign up for a managed 401k, your plan provider turns your money over to an outside investment advisor. This is done to prevent the plan provider from steering participants to invest in its own funds. The fees for a managed account vary widely, typically from 0.2% to 1% of the total amount of assets held in the portfolio, on top of your regular 401k expense. However, having a trained eye to assist you in positioning your investment to take advantage of future upswings and/or downturns in the market could far exceed the cost of the management fee.

If you have a 401k plan, find out if this managed fund component is an option you can take advantage of. If not, ask your employer whether or not such services will be available in the future.

When the Pessimist is an Optimist, It's an Attention-Grabber

Wall Street has its notorious bulls and bears. Some investment firms will tell you that things are looking good no matter what the market conditions show. With others, the glass is always half-empty, even when it's overflowing. So, why not take a look at the eternal bears of the US stock market and when they provide a buy recommendation, take significant note?

With the DOW trading in a tight range, between about 9,000 and 10,500 over the last couple of years, picking stocks has become trickier by the month. Here are some insights from the big-time bears in the NYSE as to what stocks they see as good investments. Note that these 5 stocks are recommended by at least 2 top-rated analysts at firms known to be “stingy” with their buy recommendation

- Prudential Financial $48/share, recommended by Smith Barney and AG Edwards.
- Aetna Health Care Insurance $111/share, recommended by Goldman Sachs and CIBC World Markets.
- Apache Oil Field Services $51/share, recommended by AG Edwards and Morgan Stanley.
- DOW Chemical $49/share, recommended by Smith Barney and Prudential Equity Group.
- Norfolk Southern $33/share, recommended by Morgan Stanley and AG Edwards.

Note: Please ask your investment advisor their opinion of these 5 stocks and whether they feel it's a prudent investment opportunity before you make any final decisions.

Online Shopping

This past holiday season saw a new trend arise amongst online retail portals. Research data has shown that impulse buying doesn't occur on the Internet as much as it does when someone is in a retail store, and efforts have been made to drive consumers from web sites to real outlets with the offer of in-store coupons and other marketing strategies. Statistics have shown that impulse buying takes place in retail outlets much more frequently due to the festive mood that can be created in these retail spaces. Decorations, holiday music, and festive atmospheres all lead to greater spending.