

# 5 Steps to Lessen Investment Anxiety

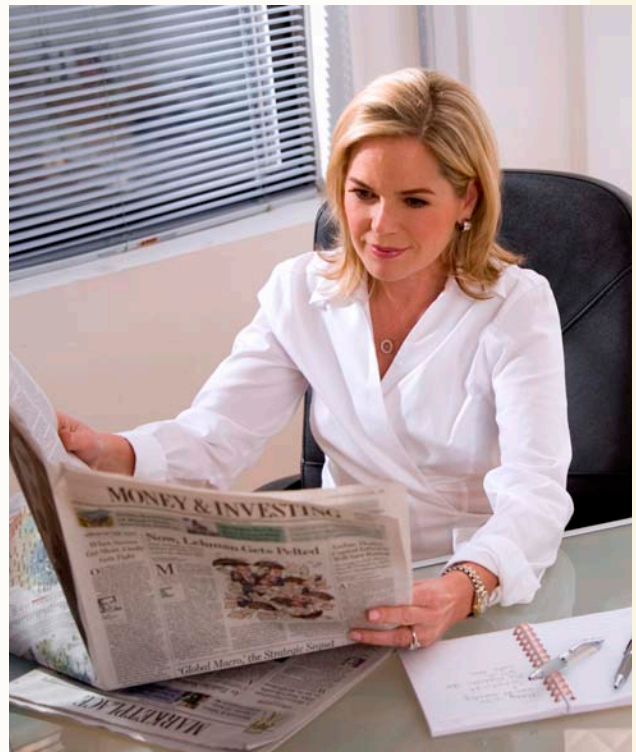
## Money Expert Advises Now is the Time to FORTIFY

**A**s co-anchor and creator of PBS's *MoneyTrack* series, Pam Krueger crisscrosses the nation dishing practical investment advice to people from all walks of life. Her insight offers a beacon of hope in uncertain economic times. "This is an environment of extreme anxiety for almost everybody, but there are some basic steps that we can all take to alleviate stress," the former stockbroker explained.

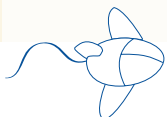
She sums up her over-arching strategy in one word: "fortify, fortify, fortify. By that I mean: Don't give in to your anxiety. Do something about it. There are basic things we can all do."

**1. "FORTIFY YOUR CREDIT, FIRST AND FOREMOST."** Krueger said. "Make sure your credit score is in good shape—that means 680 or above. If it's not great, make that the goal for the rest of the year." There are some practical things you can do to help your score. "Don't use more than 50% of the maximum allowable limit on a card. So if you have a \$10,000 limit, don't charge more than \$5,000." Krueger also recommends that credit card accounts should never be closed, even if you don't use them. "Keep them alive and healthy. It looks better on the credit report." Paying bills on time is also vital to maximizing your score. "Put cards on auto-pay so you never miss a payment," she said.

**2. FORTIFY YOUR HOME.** Home ownership remains a key investment strategy, according to Krueger. "Investing isn't just about the stock market. It's also about becoming a homeowner at some time. Right now you can take advantage of the best opportunities to buy a home in a long time. Interest rates are very reasonable and houses are on sale. It's like a gift for people looking to buy a home. But their credit position has to be fortified."



**3. FORTIFY YOUR CASH RESERVE.** What Krueger terms the "cash stash" is also essential. "Make that a goal this year. Even if you are diverting just 10% of every paycheck into a separate savings account, it contributes to a sense of comfort and reduces the anxiety," she said. "No, it's not going to earn much interest, but it's going to become a nice cushion in case you or your significant other is laid off." While Krueger cautions that savings benchmarks vary from person to person, "As a guideline it's good to get to the point where you have savings equal to three months of salary for the household. Then, you get the sense that you've got a fat cushion if somebody does get laid off." She explained that saving should become "a constant, habitual activity so at the end of the year, you can sit back and have some money."



**4. FORTIFY INVESTMENTS.** Krueger emphasizes that those with a little extra cash can and should, “get investing. Don’t invest anymore in the market until you’ve made some headway on the cash stash, but once you’re OK with that, you can get into the market while continuing to build your cushion. There are some unbelievable opportunities in the stock market right now. You know the buy-low, sell-high axiom? Well, you’re not going to buy low when everybody is happy. This is the time when an investor can scoop up opportunities.”

To fortify an investment portfolio, Krueger recommends that everyone “get up close and personal with the investments you already have. One of the best questions you can ask is ‘am I diversified enough.’ Diversification wins all investment battles. I’ll know what to change if I know what I already own. It’s not always easy. Even Warren Buffet has a hard time deciding what to sell. Review what you have and look for redundancies. You might have a couple of 401Ks from prior employers and say both have lots of technology stocks. Assess what you have and say ‘OK, no more technology. In fact, maybe I should consider selling some of this and channel the money someplace else.’ Knowing what you have helps you formulate what to do next.”

Along with her strong affinity for diversification, Krueger also warns against “going out on the risk spectrum. If you are not already diversified into real estate, it could be an opportunity. If you already have real estate, don’t go heavy into the area. You need balance, a little stocks, a little bonds, some real estate.”

**5. FORTIFY CONTROL.** Krueger acknowledges that she frequently mounts a soapbox on the issue of relinquishing control of money to others. “Do not hand off your money to a

financial advisor,” she emphasized. While she said that these professionals “can be a very sharp investment tool, they’re like a knife. You still have to be in control of the tool. Some people feel so intimidated by the investment process that they go to a financial advisor and never give it another thought. I meet wealthy people everywhere and they look me straight in the face and say, ‘I don’t invest my own money. I have my people do that. I trust the experts.’ That is not a good idea. Be sure to check the advisor’s background. Go to your state regulators’ website and see if they have any issues. Also be sure you check the investments that are recommended. Know what they are doing with your money. Anyone can learn the basics. Anybody can become comfortable with investing,” she said.

For more information about Krueger and her television program visit [www.moneytrack.com](http://www.moneytrack.com). ■



**SAVVY SECRET:**

PAM KRUEGER makes her primary residence in Marin County, California. Her vacation

home is on her native Cape Cod, and she spends “an awful lot of time in a New York City hotel.” In addition to a bi-coastal lifestyle, she travels throughout the country shooting her PBS program and also presenting live events—Investor Town Hall meetings.

When it comes to planning her travels, Krueger advises, “don’t always assume the online websites offer fares that are lower than the airline’s best offers.” She recently saved almost \$300 on identical itineraries by calling the airline directly.

Finally, at the end of the day, this consummate traveler finds “I get a better night’s sleep in a hotel bed if I take my own pillow.”

