

MANAGING YOUR MONEY

Your 20s Through 60s— How Does Your Bankbook Add Up?

(NAPSA)—A lot of people wonder how their finances compare with those of their peers, but because personal finances are—well—personal, many never really find out. MSN Money Personal Finance Columnist Liz Pulliam Weston recently received a national Clarion Award for a series of columns in which she presented



Weston

financial statistics associated with specific age groups, and outlined steps to a prosperous future for people in their 20s through 60s. Keep reading to see how your wealth measures up and how to stay on track to achieve financial freedom.

• **Oh-so-poor 20s.** According to Federal Reserve statistics, the median income for families headed by people aged 20 to 29 was just under \$28,000 in 2004. However, the great thing about being so young is you have plenty of time to lay the groundwork for a greener future. Weston recommends living cheaply for as long as you can. Many young adults overestimate how far their paychecks will go and end up spending too much on apartments, cars, clothes, etc. The smarter approach is to keep living like a poor college student for a few years to get a better idea of what you can really afford.

• **Make-or-break 30s.** At this point you're starting to see financial gains, but as your income increases so do your expenses and debts. According to the Federal Reserve's latest Survey of Consumer Finances, nine out of 10 people in their 30s owe money.

Weston encourages getting those credit cards paid off. "Carrying a credit card balance is bad for so many reasons," Weston said. "You pay unnecessary interest on your purchases, you're vulnerable to all kinds of credit card company schemes and you're cutting yourself off from a source of funds in an emergency."

• **No-more-mistakes 40s.** If you haven't begun to acquire wealth, reduce debt or save for retirement, now is the time. According to the Federal Reserve's Survey of Consumer Finances, the median income for households helmed by 40-somethings is about 20 percent higher than those headed by 20-somethings. Now is the time to make retirement savings a priority. Weston recommends using MSN Money's retirement-planning calculator to figure out how much you need to save each month to put aside a comfortable nest egg for the future.

• **Last-chance 50s and 60s.** Many people are so eager to retire that they forget to figure out the details of how and when they can. It's time to focus on your retirement game plan; set a date and draw up a budget. According to Weston, inadequate savings, debt and insufficient insurance protection are among the risks that can cripple retirement plans. She emphasizes that now is the time to make definite plans about where you'll live, what you'll do and how much money you'll spend in retirement.

To access the full series of columns along with Weston's other financial insight, please visit the MSN Money site at <http://money.msn.com>.