

Getting Started: You're headed in the right direction.

Protecting Your Assets

Modest Giving Can Make a Big Difference

By Cathi Douglas

Once you've begun to accumulate some wealth, it's important to protect it from fraud and identity theft. Even savvy investors have been seduced by the promise of generous returns. According to the Federal Trade Commission, 10 million people fall victim to ID theft every year.

Most people are in denial about fraud. Bernard Madoff's \$50 billion Ponzi scheme snared corporate CEOs, wealthy celebrities, prominent investment funds, universities and other experienced investors.

Although there are no guarantees, the best way to protect your assets against fraud is to do your homework and seek professional advice. Look for these warning signs:

- Returns that are unusually high

and consistent given the volatility of the markets.

- Investment strategy explanations that likely won't up to close scrutiny.
- Use of the same investment strategy for every investor, regardless of their circumstances.
- Lack of involvement of a third-party brokerage firm.

A qualified, independent investment adviser can help you evaluate your investment options objectively.

Identity theft is a growing problem. To protect your identity, it's important to understand how thieves obtain your Social Security number, bank and credit card account numbers, and

other sensitive personal information.

If you become the victim of identity theft, there are steps you can take to restore your credit rating and recover stolen assets:

- Shred all paperwork that includes sensitive personal information.
- Don't give out personal information unless you're initiating the contact.
- Immediately report stolen credit cards and check your credit report at least once a year.

When you share personal financial information with trusted third parties, ask about their privacy policies and security measures. Don't provide more information than necessary.

Steps for Success



Even though employers, banks and businesses running a credit check need your Social Security number, most other businesses don't. If someone asks for your Social Security number, ask why they need it, how it will be used, how they will protect it from theft and what will happen if you refuse to provide it.



The means of stealing your identity can include "dumpster diving" – sifting through

your trash for bills, receipts, bank statements, credit card offers or other documents; "phishing," in which phony e-mail messages are sent from financial institutions or other companies asking you to reveal personal information; and stealing (your wallet or credit card, for example).



Realize before it happens that thieves who steal your identity may use your personal information to run up charges on your credit cards, drain your bank accounts, and take any number of other actions that will destroy your credit rating.

+ NEXT WEEK:

Planning for the Unexpected

Building Better Money Habits™ starts with you.

Get a whole new financial learning experience with videos, tools and more.

Better Money Habits™

Powered by **Bank of America** in partnership with **KHANACADEMY**

Scan or visit
Bettermoneyhabits.com

