

THAT SINKING FEELING

Local experts weigh in on what they see as the trouble with people and finances

READING EAGLE



James L. Adams, Adams & Associates:

"(The biggest mistake is) putting off financial planning. Procrastination does not help you save for retirement, it will not help you reduce your taxes, and it won't help transfer your estate to your heirs."



Dr. Scott Ballantyne, associate professor of business, Alvernia University:

"Use the gift cards that you receive as holiday gifts in a timely fashion. Quite often the cards have service fees attached if not utilized by a certain date thereby reducing the actual gift value. The winner in these situations is the card issuer which obtains additional fees and leaves you with a smaller gift. If you don't believe you will utilize the gift card in time, donate it to a worthy cause that benefits the community."



J. William Bargfrede, Fleetwood Bank:

"Mine: Impulse purchases. Others: Frivolous overspending, excessive credit card debt."



William J. Cerynik, financial adviser, Waddell & Reed:

"Avoid putting all your eggs in one basket. I'm not talking about asset allocation, but purposing specific investments for specific goals. Each basket should have a stated purpose, time horizon and risk tolerance to avoid lack of growth in the long run or loss of principal for short-term needs."



Bryan Dreibelbis, associate professor of business, Alvernia University:

"Observation: People seem to pay more attention to their cell phones than to financial management."



Lori El Shanti, community bank president, Wells Fargo/Wachovia:

"Failing to budget, and not sticking to a budget once you created one. Budgeting is critical to financial success and independence

no matter what your age or income level. You simply cannot spend more than you take in, and you need to have money in reserve for the surprises that life throws at you like new brakes for your car or a wedding gift for a friend."



Terry L. Morris, senior equity manager of National Penn Investors Trust Co.:

"Avoid the use of current short-term headlines in making long-term financial decisions."



Virgil A. Kahl, principal, Spring Ridge Financial Group:

"Opening too many store credit cards to receive that first day discount. Small balances on too many credit cards can lead to having too much frivolous total debt and having too many bills increases the chances of late payment fees."



Eric Warfel, Metro Bank vice president and area manager:

"Too much debt and other financial problems tend to occur when unplanned and unnecessary purchases are made regularly. Keeping a budget and avoiding impulse buys are keys to staying on track."

More inside

Consumer Reports lists money mistakes. **D4**

Vanguard Group founder weighs in on money mistakes. **D5**



Jay R. Kemmerer Sr., president and CEO, Berkshire Advisors Inc.

"Allowing fear to dictate one's financial decisions. Investment and financial planning decisions should always be made unemotionally utilizing quantifiable data relevant to your particular goals and time horizons. This can help eliminate bad financial decisions made emotionally out of fear."



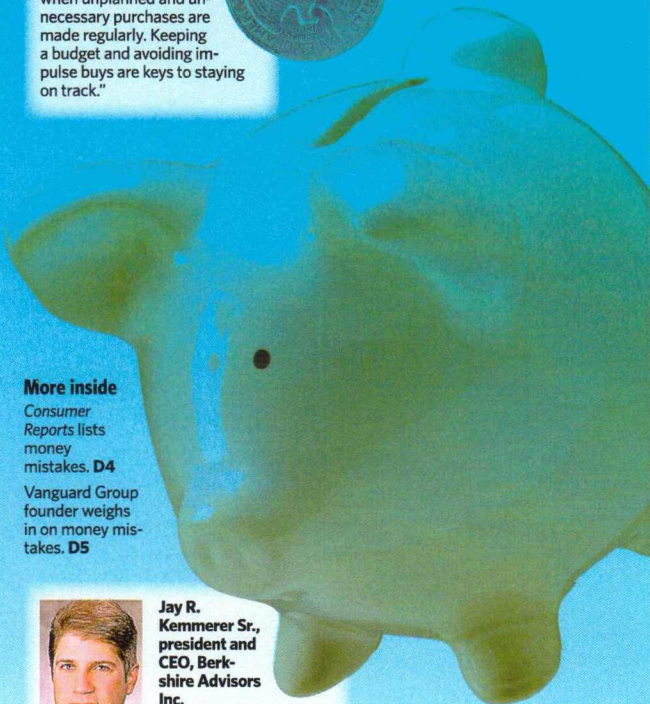
Suzanne Palmer, visiting professor of economics and business, Albright College:

"For me, it's focusing too heavily on low-risk investments. I'm risk averse, but there's a tradeoff between risk and return, so diversification is the key."

WHEN IT comes to money, no one is perfect. And some of us are far, far from it.

Who among us hasn't made a money mistake or two? Or three or four?

At the end of the year when we often review our finances — the good, the bad and the ugly — let's look at some of favorite financial mistakes of the experts.



Jeremiah M. Sensenig, financial adviser, Edward Jones:

"Plan to spend what you can afford today,

and not what you think you can afford five years from now. Life happens and careers change, you never want to be financially restrained by your job or lack thereof."