NYC 9/11 Public Portal Document

NEW YORK POST, SATURDAY, DECEMBER 22, 2001

Expert advice: Don't be quick to spend it

By BETH PISKORA

When families of the Sept. 11 victims start getting financial compensation from the government — an average payout estimated at $1.65 million — the first thing they should do with the money is sit tight, financial advisers told The Post.

"The first thing to do is nothing," said Nancy Frank, a New York City-based certified financial planner.

"Just put the proceeds into a money market or something else totally non-speculative," she added. "Leave it there — for up to a year if you have to.

"This is a very emotionally charged time and the temptation is going to be to buy yourself something to comfort you and compensate you in your time of mourning," she said.

"Instead, wait until the highly emotional grieving time has passed, and then find a good financial planner who can help you set up a program that will help you achieve your goals."

Even when you *are* ready to invest, Wall Street experts say there are several rules to follow.

First, keep one year's worth of normal living expenses — household bills, rent or mortgage, utilities, food, clothing and such — in a money-market account.

Second, if you have small children as so many of the victims did, start a college savings plan immediately. If you put aside $200,000 for each child, they should be set financially to attend even the most expensive schools.

Third, take a percentage of the payout equal to your age and invest that in super-safe U.S. Treasury bonds.

Some planners say people who get big one-time payouts deserve to take a small part of it and blow it on something frivolous, like a vacation or a diamond bracelet.

"Don't expect this money to buy you happiness, but don't be stingy with it either," recommended Frank. "Take $10,000 or $25,000 and blow it on a luxury vacation if that's what you think you need. Just be sure not to blow the whole payout."

CITY_21MC100_01183 4822

NYC-WTC_000416319