Dan Schuknecht is the assistant superintendent at Talons of Tuscany Golf Club in Ankeny, Iowa. He can be reached at dsschuknecht@msn.com.

GET YOUR FINANCES IN ORDER

This has been a difficult year for many individual investors and businesses. At press time, the Dow Jones Industrial Average is down nearly 17 percent year to date, the S&P 500 is down nearly 19 percent year to date and Congress just passed a $700 billion financial institution bailout package. While there's nothing we can do about the market's downturn, it's important for us to know our personal financial situations – retirement options, investments, insurance and savings. Although I'm by no means a financial expert, I want to pass along some helpful information I've picked up along the way.

RETIREMENT/INVESTING

It's important to understand what your company offers for retirement and if you're contributing to it. Employers commonly offer a 401(k) plan, to which employees can make contributions (a compensation reduction) on a posttax or pretax basis. Employers can choose to make contributions to the plan as well. Sometimes they match employee contributions; sometimes they don't. Employers also can add a profit-sharing feature to the plan.

What makes these investments attractive is that the earnings grow tax deferred, which means your investment grows tax free until you withdraw the money. If your employer offers a match, it's important to understand the percentage. You might have options about how you want to invest your money within the plan, choosing from a few to many investment products. Beware: There are penalties if the money is withdrawn before the retirement age defined by the plan.

Another important retirement product is the Roth IRA (individual retirement account). This year, if you're 49 or younger, you can contribute $5,000 to the account. If you're 50 or older, you can contribute $6,000. In a Roth IRA, contributions aren't tax deductible, and qualified distributions are tax free. Similar to other retirement plan accounts, nonqualified distributions from a Roth IRA might be subject to a penalty when withdrawn. A qualified distribution is one that's taken at least five years after a taxpayer establishes his first Roth IRA and when he's 59.5 years old, disabled, using the withdrawal to purchase a first home (a $10,000 limit), or deceased, in which case the beneficiary collects. Because qualified distributions from a Roth IRA are always tax free, some argue a Roth IRA might be more advantageous than a traditional IRA. Visit www.investopedia.com for more information.

When it comes to investments such as stocks and mutual funds, diversify your investments. Diversification is simply spreading your investments across several sectors and risk levels. Mutual funds consisting of many stocks can help you accomplish this. Also, you can lower your risk by choosing mutual funds with a 10-year-or-more track record of producing profits. However you choose to invest, pay attention to the fees/commissions associated with each product. One example is a load fee, which is a commission charged when purchasing or redeeming shares of a mutual fund.

INSURANCE

There are many types of insurance available: Health, disability and life are a few. Generally, don't be afraid to shop around for a reputable company to find the coverage that best fits you and your situation.

With health insurance, it's important you have it, make sure you're adequately covered and understand how much you have. Take the time to understand the differences between an HMO, PPO, HSA, etc. You might think, "Do I really need it?" The answer is absolutely. A major accident can cost hundreds of thousands of dollars, and medical bills are the No. 1 cause of bankruptcy. Visit http://www.daveramsey.com/etc/cms/health_insurance_5280.htmlc for more information.

Disability insurance is important for those of us in positions where the risk of injury is much greater. This type of insurance replaces your income if you're injured or medically unable to work. Short-term disability replaces your income for a short period of time – a few months to a few years, depending on the policy. It's great if your employer offers it. If it doesn't, I'd advise you to save enough money to cover your living expenses for three to six months. This way, you don't have to purchase disability insurance and are covered in case you have to miss work because of injury. Long-term disability insurance replaces a portion of your income if you're disabled and will pay until you retire, reach 65 or some other specified term, depending on the coverage. The three-to-six-month living expense fund is important because most long-term disability policies don't start paying until a few months after the injury.

Life insurance offers two main types of products – term and whole life. Term insurance has a duration limit or term on how long you're covered. Once the policy expires, you must decide whether to renew or let the policy expire.

On average, term insurance is much cheaper. The difference is that whole life (cash value) insurance products combine insurance with savings. Invest wisely with these products. Understand the fees and commissions associated with these products and use caution when you see the projections and estimates offered. Do your homework, and choose the option that best fits your situation.

SAVINGS

When you put together your facility's budget, the adage "you can't manage what you don't measure" is essential, and it's just as true with your personal finances. I can't overstate the importance of knowing where every dollar of your money goes each month. If you don't, try this simple exercise: For 30 days, record every purchase you make. At the end of 30 days, sit down and look at where you spent your money. Does it surprise you? From there, put together a budget – a plan of how you'll spend your money. You can find budget templates from many different financial books and Web sites.

Knowing the investments you have in place is important now and for your future. Looking at your retirement options, insurance coverage and savings is the first step in gaining financial success. **GCI**