

6 Questions To Consider When Evaluating Financial Products

The variety of financial products available in the marketplace can be overwhelming. Financial institutions often engage in intense and sometimes deceptive marketing efforts to lure in customers. While there are a dizzying array of choices, you can evaluate all financial products by considering these simple questions to determine if a particular product is right for you.



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- 1 **Am I Eligible? / Do I Qualify?** Some financial products have very specific eligibility criteria. Before engaging in a full-blown analysis of a product, make sure you're actually eligible for the product. If you determine that you're not eligible but you really want to access the product at some point, start developing a plan to work on your finances to become eligible.
- 2 **Does The Product Save You Money?** Answering this questions will require you to look closely at what the cost of using your current array of financial products is and compare that cost to the cost of the other product(s) you are considering.
- 3 **Are There Any Hidden Costs?** You might have already been able to answer this question as you considered number 2, but you should make sure you read all the fine print about the product you are considering and make sure you understand all the potential fees and costs of the product. If you don't understand something about the fee and cost structure, don't hesitate to call the product's customer service hotline to get your questions answered.
- 4 **Does The Product Make Your Financial Life Easier To Manage?** Some products may seem to be very low cost, but you may need to go through lots of hoops to actually reap the benefits of the cost savings. When evaluating products, be sure to consider how the product fits in with your lifestyle.
- 5 **Are There Other Products That Might Work Better For You?** Just because you've determined that one product will work for you does not mean that it's the optimal product. You should search online using sites like bankrate.com to make sure you're not missing out on a better product that is less heavily marketed.
- 6 **How Does The Product Help You Achieve Your Financial Goals?** As you consider any product, make sure you evaluate it in light of what your financial goals are. If a product seems enticing, but upon further reflection doesn't really help you make progress towards achieving your goals, it probably isn't the right product for you.