

Biggest Investor Mistakes: iPonzi, Anyone?

By Ben Steverman - Sep 13, 2011 6:48 PM ET

11 of 17

[< PREV](#) | [NEXT >](#)

Raiding An IRA

Keeping a big balance on credit cards isn't a great idea. Paying them off with money from an individual retirement account is an even worse idea, says Marnie Aznar, a financial adviser in Morris Plains, N.J. One client wanted to do just that, and because he was too young to tap his IRA, would've paid a 10 percent penalty. The move would also trigger federal and state income taxes, and in the long run, he'd miss out on future tax-deferred growth of his investments. Ultimately, it might cost \$60,000 to pay off \$30,000. Worst of all, it wasn't a permanent solution to overspending, says Aznar: "You need to work on the source of the problem."

Source:

Advertisement

