



*New Year's*

# FINANCIAL RESOLUTIONS

*Resolve to make your finances a priority in the new year*



## *Will you make a New Year's resolution before the calendar turns?*

*The smartest one might be to get your finances in order. Here is a framework for making your financial resolution stick.*



### THE CHALLENGE

A lot of people make money resolutions. According to a study in the University of Scranton's Journal of Clinical Psychology, the most popular resolution every year is to lose weight, followed by getting organized, and saving more money. It's good to see a finance-related resolution in the top three. But setting goals is one thing, sticking to them is another.

Some folks don't bother making a New Year's resolution because it seems futile. Indeed, few of us are able to keep to what we resolve

each year. According to the study, only 46 percent of resolution makers keep their pledge through the first six weeks of the year. This doesn't have to be the case. There is every reason to make this upcoming year the time to accomplish what you set out to do.

This year, why not resolve to make your finances a priority? With just a few hours of planning, you can start to get your financial house in order. Here are some steps to take:

### THE HOW

Get your family involved to help you follow through. You can also share your resolution with others, and have someone keep you accountable. Work with your advisor to create a budget and save a specific amount each month. At the end of each month, check in with your advisor to make sure you're on track, and to share your accomplishment. And celebrate the milestone with your spouse.

### GET ORGANIZED

Retrieve all of your important documents that tell you how this year went—and read them. Find all of your pertinent financial statements, including retirement and investment account statements, homeowner's insurance, wills, and bank statements so you can access them quickly. Then:

- Review your goals for the year if you had any
- Read your financial statements
- Understand why you either missed, met, or exceeded your goals



## START WITH A BUDGET

The centerpiece of a financial resolution is to create a budget for the entire year. This isn't as daunting as it sounds. Decide with your partner and family members what the big expenses will be for the new year. Will you need to buy a new car? Take a vacation? Fix the roof or replace the air conditioner?

By planning ahead and setting aside money in advance, these expenses won't hit your wallet as hard as they would if there were no plan. A family budget is a great learning opportunity for kids, as well.



## LOOK FORWARD

Don't allow mistakes you made in the last 12 months to affect your goals for the coming year. Allow yourself to mentally wipe the slate clean. Use previous stumbling blocks as your new goals for the upcoming year.

Perhaps you had trouble with credit card debt, didn't save as much as you needed for college, or put off replacing the roof on your house. Address those challenges in your New Year's plan. Create a timeline for paying off debt, arrange an automatic monthly transfer into your 529 account, or create a list of home repairs you need to address.

## WRITE IT DOWN

Don't forget to write down what you want to achieve and place it somewhere you will see it each day—on your bathroom mirror, your refrigerator, or in your office. Without regular reminders of your goals, you'll find it much harder to attain them.



### ***Talk with your financial advisor.***

*Your financial advisor doesn't just manage your money. Your financial advisor can be a sounding board for your ideas and can offer different ways to help you reach your goals. Most importantly, your financial advisor can be your financial accountability partner.*

*This year, resolve to make your finances a priority.*