

Prioritizing Your Financial Health in the New Year

Presented by LifeTime Asset & Tax Management

It's that time of year when many people set goals with the hope of changing their lives in the months to come. Some may set their sights on losing a significant amount of weight or training for a marathon, while others may want to spend more time with family or other loved ones. Whatever your plans, consider adding a few of the financial changes described below to your resolution list, too, to help you turn 2024 into an even better year.

Pay Down Debt

Having debt is normal, but having too much debt—particularly as your credit card statements start flowing in after the holidays—can quickly become overwhelming. As you start the year, make a plan to pay off the debts with the highest interest rates first. Also, it's always wise to pay more than the minimum payment. So if you're financially able to pay a bit more than the monthly amount due on your mortgage, car loan, or other debt, do so. You'll pay off your debt faster and save more on interest in the long run.

Increase Your Savings

Now that we're exiting the season of "spend, spend, spend," it's time to focus on saving. Perhaps you'd like to save for a dream vacation, a down payment for a new home, or an emergency fund to cover the unexpected. By setting a goal and outlining a timeline and strategy for reaching it, you'll find it easier to achieve your desired result.

Develop a Budget

Budgeting isn't exactly glamorous, but even the Warren Buffetts of the world need to incorporate a budget into their financial plans. When developing your new budget, it may help you to think of it as a spending plan instead. How much will you spend on food, entertainment, and education during the year? By planning out your expenditures, you'll have a better understanding of where you're allocating your income and how much is available to spend on each activity in a given week, month, or year—whichever timeline best suits your planning style.

Review Your Credit Report

Your credit report is a critical component of your financial health. It's important to check it annually, so you can monitor where you stand and keep an eye out for potential credit fraud. You are entitled to one free report per year from each of the three major credit-reporting agencies—Equifax, Transunion, and Experian. Use a website such as www.annualcreditreport.com to request your reports at the beginning of the year (or request one at a time throughout the year). This way, you can file disputes regarding any erroneous information, as well as evaluate how you might increase your overall credit health during the year.

Protect Your Identity

Thanks to the wonders of technology, banking, shopping, and even finding long-lost friends and family members online is easier than ever. But at the same time, it's also easier to inadvertently expose our personal information to those looking to exploit it. Protecting your identity can be as simple as monitoring your accounts—including online bank accounts, social media profiles, and your personal email.

Here are a few tips:

- Review your monthly statements for any suspicious activity.
- Avoid using your social security number whenever possible.
- Be sure that you are on a secure website (the URL will begin with *https*) before you submit personal information online.
- Be wary of opening suspicious emails—and *don't* click on any attachments. Err on the side of caution, and contact the company directly if you receive any suspicious emails, letters, or phone calls regarding any of your accounts.

Start a College Fund

Education expenses have continued to increase, so the sooner you can begin putting money away, the better off you'll be. Whether you are saving for a child's or grandchild's—or your own—education, there are multiple investment tools that can help you develop an effective college savings plan. Work with your financial advisor to evaluate your unique situation and select the best option for pursuing your goals.

Assess Life Changes

As our lives change from year to year, we may not be aware of how these changes can affect our financial health. Embarking on new career, welcoming a new baby to the family, purchasing a new property, or even just getting one year closer to retirement may all require you to revisit your financial plan and long-term goals. It's a good idea to review your insurance coverage, retirement plan, will, and estate plan annually to ensure that all aspects of your life are incorporated.

Further Your Financial Knowledge

There are a number of websites, TV shows, and books available to help you educate yourself on personal finance best practices and the financial industry in general. Be sure to reach out to your financial advisor if you find a topic you would like to learn more about. This will not only provide you with a deeper understanding of your investments and other financial matters, but it also will allow you and your advisor to improve your financial goals through communication on topics that interest you.

Achieving Your Financial Fitness Goals

These are just a few changes that can help improve your overall financial health. Try incorporating one or two into your resolutions for 2024, and check in with yourself regularly to evaluate your progress toward your goals. You might be surprised how quickly things can change for the better when you commit to improving your financial life. As always, your financial advisor can help you stay on track toward your goals and reevaluate your options at any point along the way.

If you would like to talk with one of our Wealth Consultants about how to achieve your 2024 financial resolutions, feel free to contact our office.



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