



MAKING CENTS

MAKE YOUR NEW YEAR'S FINANCIAL RESOLUTIONS

-John P. Napolitano, CFP®, CPA, PFS, MST



Here it is, the start of a new year, and with it comes the perfect opportunity to make a few personal financial resolutions that could set you up well for many new years to come.

First, let's take a look at long-term aspects. Perhaps you set your retirement goals several years ago, but now that you're closer to retirement age, those objectives may need tweaking. Have you had financial considerations during the past few years that have impacted your ability to save? Are your investments performing well? This might be the time to reassess your retirement goals or at least make some changes that might better your financial position once you take retirement.

There could be a few people out there who are not taking full advantage of employer-sponsored retirement savings. If your place of business offers plans such as a 401(k) plan, sign up. And you can contribute to a personal traditional or Roth IRA. For those who are self-employed, speak with your financial planner about opening a SEP IRA or a solo 401(k) plan.

Next, look at your investment portfolio to determine if it has the proper allocation of

investment classes. A financial planner can also help you determine if your investments are on track to meet your needs.

Re-evaluate the amount you set aside for large goals, such as your children's college funds, the emergency account or for big-ticket items. And while you're at it, reassess your debt reduction goals. If you can afford to pay off that car loan earlier, do so. Ditto for paying extra on monthly mortgage payments.

"Determine whether your spending practices have changed over the past year."

Determine whether your spending practices have changed over the past year. Did you send a child off to college? Did you go for broke with an expensive vacation

or car purchase? Major expenses can set your goals back, so resolve to keep a watchful eye on credit card and other spending that is just plain superfluous.

And as you begin this new year, take the time to review your credit report - for accuracy and to determine if you'll need to make some repairs to your financial house. A poor credit report translates into higher interest rates - something you want to avoid in this new year and beyond.