Do-able Monthly Financial Resolutions 2019:

Whether you kick it off with the HIGH to-do or the LOW one, it's all progress!

JANUARY: Organize paperwork.

HIGH: We know…this obvious starting point eludes many. Are your financial documents organized and labeled, on paper or virtually, so information is at your fingertips? Your family or heirs will be eternally thankful if you unexpectedly die or are incapacitated.

LOW: Just get it all in the same room. Paper all in one big box or file. Copies of emails or data files all in one place. Don't be overwhelmed by trying to be perfect or doing too much at the first pass. Ask a family member to help. Touch base with your accountant to ask what few things are really needed for taxes this season and for you to retain as historical tax records.

FEBRUARY: Consolidate investments.

HIGH: Trim your number of accounts and consolidate dormant 401(k)s into individual retirement accounts. Spreading your assets across various brokerage accounts is not smart diversification – it's a recipe for confusion.

LOW: Write down a list of accounts and schedule 1/2 hour to discuss it with your financial advisor to help prevent problematic overlap in investing selections, and potentially cut back on the cost and effort of doing your taxes by reducing the number of accounts being tracked.

MARCH: Tax smarts.

HIGH: It's great to have gauged what's ideal to pay your state and the federal government throughout the year instead of overpaying, and to take steps to minimize your tax bill each year.

Did you fund an IRA for a non-employed spouse, max out funding on your retirement plan at work or if applicable, fund your Roth IRA by the April 15th deadline? Did you track your losses on your taxable accounts, such as individual and joint investment accounts, bank accounts and money market mutual funds, to name a few? These moves can qualify you for tax credits.

LOW: Can't or don't track these yourself? Don't wait until the last week in December and tax time to check in with your accountant, employer, and financial advisor to ask for help with it.

APRIL: Follow the money.

HIGH: Fill out a budget and compare it to real life.

If you're still working or too busy with your life, you may have a poor sense of your personal cash flow,

Copyright © 2019 RSW Publishing. All rights reserved.
Distributed by Financial Media Exchange.

the money that comes in and where you spend it. You can't establish how much you save or spend without knowing where you are right now. Get ready to "spring clean" out less-than-favorable habits.

LOW: At least pull out and look over 6 – 9 months' worth of checking account statements and credit card statements. Look at how much money went out of them and why. Did more leave than come in? Show to family. It will refresh your memory about how you all made those "cash out" decisions and help you reflect whether what you bought was worth more than saving for your future.

MAY: Investment smarts.

HIGH: Are your investments allocated wisely to minimize taxes? Are they allocated to address your needs now and going forward, and your tolerance for risk? Do you and members of your family understand why you own what you own?

LOW: Schedule an annual review conversation or meeting with the manager/financial adviser of your 401(k) or other retirement plan and other investment accounts. See July -- Have your insurance agent go through a checklist of your coverage needs and re-justify the existence of each policy or contract and its costs.

JUNE: What are you worth and why it matters.

HIGH: Calculate your net worth (all your assets, such as your home and retirement funds, minus all your liabilities, such as your mortgage and credit card debt). A sophisticated net-worth calculation projects factors of asset growth such as rates of investments' returns and risk and your rate of saving and liabilities to the end of your life. Your goal: Minimize the risk of outliving your assets.

LOW: Right now, do you have an accurate sense of the value of all your assets, the value of everything you owe, and which is larger? Do you know how much it costs each year to maintain each of them? If you don't, your task is to gather a 1-page list.

JULY: Insure against risk.

HIGH: Insurance keeps you financially whole if disaster strikes. Revisit what assets or scenarios you are looking to protect with an independent insurance agent who is able to quote competitive policies from more than one carrier, being mindful of underlying costs and penalties beyond the premiums. Did you outlive your term life insurance? If so, you're a winner because you remain alive, but you likely need to consider more coverage.

Have you considered long-term care insurance, especially if you're a woman with a longer life expectancy than a man? This coverage can help with costs of certain basic daily needs over an extended time.

LOW: Not sure? Locate copies of known insurance policies for all family members and the contact information for all agents. Call to be sure you have up to date agent information and copies of the latest version of policies in hand. Ask your agent for a brief questionnaire to update what should be taken into consideration to assess your needs.

AUGUST: Retirement planning.

HIGH: This planning starts in your 20s and does not end when you retire. It's helpful to start early exploring the elements that affect it, to get a sense of how they work, even if you can't know early on exactly how life will play out.

Are you aware of all strategies to maximize Social Security payouts? If retired, are you withdrawing from your accounts in the correct order? (Start with your taxable holdings, then move on to tax-deferred and then untaxed.) Calculating optimal distributions from IRAs and other taxable income sources annually can trim your taxes.

Be sure to understand and be wary of the implications of assumptions in do-it-yourself financial calculators as they may be dangerously simplistic or out of date. People may be inclined to be too rosy or too pessimistic in their projections without an objective professional eye on them.

LOW: While lounging in a comfortable chair, do some reading or daydreaming that helps you envision your retirement with some specificity about location, lifestyle, and timing. Have something in hand on which you can commit your thoughts about your

Copyright © 2019 RSW Publishing. All rights reserved.
Distributed by Financial Media Exchange.

imagined retirement to show family and advisers. Make the call to ask your financial adviser to help you properly calculate the what-ifs around when and how you could afford to retire.

SEPTEMBER: Gift wisely.

HIGH: Think about your giving list before December. Before giving, research any charity for its legitimacy and it efficiency in using donated funds at charitynavigator.com or other legitimate charity rating sites. Don't ever donate in response to email or phone solicitations – all too often they are convincing scams. Select your own recipients at your leisure. Keep a list of gifts you've already made. You can give back in many ways to organizations and people you care about with donations of appreciated securities or with payments on college loans or new mortgages. The Internal Revenue Service offers several guidelines on gifting at www.irs.gov. Ask your financial adviser about the rules around gifting out of an IRA in concert with the minimum required distribution withdrawal process.

LOW: Your greatest gift may be taking care of yourself and your finances, so you don't eventually become a financial burden to your adult children.

OCTOBER: Preparing for the inevitable… (and we don't mean Halloween!)

HIGH: Engage an estate attorney. If you die without a will, your state of residency distributes your assets with no input from you.

If your estate documents are older than about seven years, refresh them. Everyone needs the following estate documents: wills, living wills, medical health-care directives and powers of attorney to stipulate your wishes if you become unable to decide matters yourself.

You especially need these papers if you or your spouse, or both, are uncomfortable with financial matters and your children are younger than legal age.

Also, draw up or re-examine these documents if:

- You're in a second marriage
- You own property in or reside in more than one state
- You're concerned about privacy
- You own a business or
- Your family must consider special needs.

Discuss your estate plans with family.

LOW: Immediately make sure your family members at least know whether you do or don't have a current will or estate plan in place. Give them the contact information of your estate attorney and accountant if applicable.

NOVEMBER & DECEMBER: Reality check.

HIGH: If you followed these steps, you're in the minority of individuals with the tenacity to tackle financial planning and you can spend the holidays communicating with your family and friends about what matters to you.

But you still should engage your professional advisers to check your assumptions. Be realistic about what you can accomplish on your own.

It's important to think about these things at least once a year.

LOW: Place a call or email to your adviser, accountant and attorney about what you didn't get done and ask them to help you get there. It will be time well spent!

Copyright © 2019 RSW Publishing. All rights reserved.
Distributed by Financial Media Exchange.