



**Work Life Services Newsletter January 2021**  
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## **Eight Money Resolutions That Can Benefit You in the New Year and For Years to Come**

New Year's resolutions don't have to be a zero-sum game, where a few months of eating healthier or exercising more frequently are quickly offset by a return to old habits. Rather than pursuing a resolution that isn't sustainable over the long term — or even the short term, for that matter — how about committing to one that could provide a steady stream of benefits for a longer period of time?

The eight New Year's resolution ideas detailed below, all related to positive financial and money habits and most offered by Certified Financial Planner professionals, are designed to provide the people who commit to them with benefits for both the short term and the long term — incentive enough to actually stick with that resolution for more than just a few weeks or months.

1. Save more toward retirement - "Start putting at least 10 percent of your salary in your 401(k) [if you're not doing so already]," suggests FPA member David R. Silversmith, CFP® with Fulvio & Associates in New York City. "If this is too much, increase your 401(k) savings percentage by 1 percent. If after a few weeks, you can survive on your new take-home salary [minus the contribution], increase the contribution amount by 1 percent again until you find an amount you can live with."

Automate your monthly retirement plan contributions. Setting up automatic withdrawals removes guesswork, forgetfulness and choice from the equation.

2. "Start something," - suggests FPA member Dennis R. Nolte, CFP®, of Seacoast Investment Services in Oviedo, FL. Start contributing to your employer's retirement plan. Start contributing to a college fund for a child. Start interviewing to find a financial planner who can help develop a strategy for connecting your financial assets to your goals.

"Finish something" - Close a credit card account with a higher interest rate and transfer the balance to a card with a zero-interest offer and a lower non-promotional rate. Finish paying off your mortgage.

3. Gain cost certainty - "Enroll in the budget payment programs offered by utility companies so that your monthly payments are predictable and smooth," recommends FPA member Paul O. Collinson, CFP® of Legacy Planning Advisors in Arlington, VA. Use online banking to pay most or all your monthly bills.
4. Build a cash reserve - "Stay dry on the rainy day," offers FPA member Joel R. Cundick, CFP® with Savant Capital Management in McLean, VA. "Set up an automatic savings plan, if you don't already have one. Even contributing \$5 a week is a fine place to start."

Keep adding to the cash reserve. "You should work up to having three to six months of expenses saved that is liquid and easily accessible to protect yourself and your family," says Cundick.

5. "Don't budge from the budget," Cundick recommends. "Live within your means and stay away from putting too many expenses on the credit card, especially if you can't pay it off each month."

Get a better handle on your finances by tracking household expenses/spending over the course of several months, then identify an area or two where you may be able to spend less on a discretionary basis and earmark that extra amount for another goal, such as paying down debt or contributing more to a retirement plan or college fund.

6. "Get your debt house in order," suggests Cundick. "There is good debt and bad debt. Examples of good debt are your house, car and one or two credit cards. As long as you're paying your bills on time and not maximizing your credit limits, this shows you're a good credit risk. Bad debt is having too many credit cards with high balances that maybe you don't always pay on time."

Consolidate debt from multiple higher-interest credit cards into a single account, then make a plan to pay down that debt over time.

7. Review your contracts and use your leverage as a consumer. "Over the years, you keep paying your bills and never think about asking for a better price," says Cundick. "This is common with your phone bills and cable bill. Your provider probably won't call you out of the goodness of their heart to let you know that your service could be cheaper. Sometimes all you have to do is ask."

Meet with a mortgage professional (such as a mortgage broker) to determine if refinancing your home loan would be financially worthwhile.

8. Reduce your screen time by refraining from watching financial TV. "Programming is geared toward short-term decisions, not long-term planning," observes FPA member Kristin C. Sullivan, CFP®. Instead, "go for a walk, do some yoga, or meet with a financial adviser with the time you save."

Enlist a financial professional to develop a personalized comprehensive financial plan for you (and your spouse/partner), if you don't have one already. Doing so can pay for itself many times over as a result of tax savings, improved investment performance, lower investment costs and more.

Finally, to give yourself a better chance of sticking to your New Year's resolution:

Set a realistic goal. Be as specific as possible with your resolution. "For example," offers FPA member Aaron E. Graham, CFP®, of Abacus Planning Group in Columbia, SC, "instead of setting the general goal to have your finances in order, you might commit to having an emergency fund in place by the end of the year, an excellent way to handle whatever unexpected financial situations arise."

Don't expect too much, too soon. "Remember that this is a process," Graham says, "and cannot be accomplished overnight. Celebrate incremental successes toward fulfilling your resolution. "Allowing yourself a reward will keep you motivated to keep working towards your goals and will build your self-confidence in your ability to accomplish what you have set out to do," Graham explains.

So find a resolution that resonates with you, follow through with it and you will indeed give yourself a better shot at a Happy New Year!

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