



Organizing Your Finances for the New Year Your Complete Financial Checklist



StrategicPoint
INVESTMENT ADVISORS

One of the most appealing aspects of the new year is that it presents the opportunity to do things right. You know the drill. Start working out, now. Sign up for that class you've been putting off. Evaluate where you want to put your time and energy. This is the time to take stock of your life and get your thoughts and affairs in order.

Ideally, this process includes getting organized with your finances. The start of a new year is an optimal time to get organized, consider your financial goals and check a lot of administrative items off your list. More importantly, getting your finances in shape will ensure you have more time to focus on the things that matter to you.

Our comprehensive financial checklist will help set the foundation for a successful new year.



Max Out Your Retirement Contributions

Make the commitment to saving in the easiest way possible: stash dollars away in your 401K. If you have a set salary, it's simple to see the impact across every pay period. Just divide your max contribution— \$22,500 for 2023 (\$30,000 if you are over age 50) —across the total number of pay periods and calculate the percentage you need to contribute. This does a few things for you. One, it spreads out your retirement fund contributions evenly throughout the year. You're never taking too big of a hit at any given time. Second, it's a "set it and forget it" mentality. That's right. Pretend you don't even have that money. Just let it flow safely to your 401K and enjoy the satisfaction at year's end when you see that you've hit that \$22,500 mark.

See where you're at. Evaluate your prior year 401K contributions and your salary expectations for the new year. Did you max out your 401K previously, and do you expect any major changes to your income?

Do the math. Calculate how much you need to save for every pay period to hit \$22,500 (or \$30,000).

Make the adjustments. Some organizations require an HR form to make a change in contributions; others, you can just login online and make the changes yourself.



Note:

If your income is heavily based on commissions, you're going to need to map out income projections as best as you can and keep an eye on contributions. A good idea is to set a quarterly check in reminder on your calendar.

Plan for Medical Expenses

Medical expenses and planning are quite contradictory. Life happens. You can't plan for the ups and downs of your health, and that of your family. But you can try to get in front of the costs as much as possible. And being aware of the costs coming your way is the first step.



Check your plan's deductible. Most insurance deductibles are based on a calendar year. That means, come January 1, a routine doctor's visit may cost you a pretty penny. Deductibles can range from \$0 to over \$10,000 for family coverage. If you're on the latter part of that spectrum, try to work your deductible into your budget, especially for the first half of the year, to avoid being caught off guard with a big expense.



Do your research. Having a baby? That's one expense that you know of well in advance. Coverage for childbirth varies wildly. While you can't plan for emergency procedures, you can call your insurance provider to get a feel for what bills may be coming your way—and then plan for them as best as you can.

Review your Investment Allocation

You and your financial advisor should review your investments throughout the year. Have circumstances changed in your life? What is the current economic and stock market outlook? Take the opportunity at the start of the year to evaluate if your investment goals are on track.



Review your holdings. And consider your goals.



Plan for regular meetings. Meet with your advisor.



Consider using capital losses to offset gains. That is, if it aligns with your goals.



Spread Out Your Charitable Contributions

With a little planning, you can maximize your charitable contributions throughout the year, versus loading it all at the end.

Check your history. See what you've given over the last several years.

Create a calendar reminder. Get pinged when it's time to make donations.

Consider automated donations. Some charities allow you to set up automated monthly contributions.

Prepare for Strategic Gifting

Gifting is a great way to potentially reduce your future estate tax. You can currently gift \$17,000 per individual, per year, without having to file a gift tax return. If you have assets that will transfer to heirs at your death and you will not need them, you may want to consider gifting.

What's your stance on gifting? Is gifting one of your financial goals for the new year? Include this in your budget planning.

Consider the impact. Evaluate the impact a gift will have on your future estate tax.



Get Organized

We know, you probably don't jump up and down at the idea of putting together a budget! But creating a budget is one of the best things you can do to practice conscious spending and to set yourself up to make smart choices throughout the year. Additionally, here are a few other household items to work through:



Create a budget. See where your money is going and find out how you feel about that. Do you really need to spend \$15,000 a year dining out? Perhaps. But a budget directly correlates to your goals. Figure out what it is you want to achieve in the new year, then...



Write down your goals. And see where you need to adjust in your spending (and saving) to make them come to life.



See where your money is going. It's easier than ever to track your spending. Software and apps abound, designed exactly for this sort of thing. One of our personal favorites is Mint.com. Many of these tools are free to use, or affordably priced. It's remarkable what visualizations of your spending—such as pie charts and spreadsheets—can do to change your habits and support your vision.



Run your credit report. This is an annual checklist item. It only takes a few clicks and you get instant, free insights into what is going on with your credit reputation. If you're looking at making some big changes in the new year, such as purchasing a home, this is a must.

Take your motivation and run with it. There's no time like the start of the year to reflect on where you've been and where you want to be. Your financial health is the catalyst to seeing your goals take shape. Start the new year with an organized, clear picture of your finances. We're confident that you'll be amazed at how these actions help you achieve your other aspirations.



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Need help working through this checklist, or with your financial plan in general?

Email us, we'd love to help:
info@strategicpoint.com

Or, call to schedule a meeting with a
StrategicPoint advisor: [800.597.5974](tel:800.597.5974)

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