

## **LOOKING FORWARD for FINANCES - 2010**

**Each new year offers each of us a new opportunity to begin anew with fresh financial resolutions. Here are 24 such money oriented resolutions worth pondering for 2010.**

1. Buy a paper shredder and use it on unsolicited credit card applications and other unneeded and unwanted papers that list sensitive personal and confidential information.
2. Make sure you have adequate life insurance if you have dependents. Most people should strongly consider term life insurance to get the most insurance for their buck. If you are a member of any sort of trade industry group, consider obtaining life insurance policies through that organization. The more you price shop, the better rate you will obtain. Use the Web to price compare and shop for the lowest term rate policy. Once you find the lowest annual rate, attempt to obtain level pay coverage for at least ten years.
3. Consider long-term care insurance if you in the 50-plus age range and can afford this type of coverage.
4. Send away for your credit reports from all three credit reporting agencies at least once a year. The big three credit reporting agencies are: (i) Equifax at 1-800-685-1111, (ii) TransUnion at 1-800-888-4213, and (iii) Experian/Credit Data at 1-888-397-3742.
5. Make sure your beneficiaries are accurately listed on retirement plans, life insurance policies, IRAs, Roth IRAs, and other such instruments.
6. Make sure that you are not the registered owner of life insurance policies on your life. As the owner, that face amount of the life insurance policy may be included in your estate upon death and the proceeds will be distributed to your beneficiaries. A simple letter informing the insurance company that you are not the owner of the policy but another person is the owner of the policy.
7. Stay away from casinos on payday and all payday-loan stores every day. In fact, stay away from casinos every day. Remember casinos are built on people losing their hard-earned money, not winning money.

8. NEVER give out your social security number to any unsolicited telephone call. Only provide your social security number to those you have previously dealt with or know or when you initiate the telephone call to VERY reputable firm.
9. Draw up a Will and Trust, or review and update your current Will and Trust. If you are married and have minor children, review with your spouse who will be the guardian of your children. You should both agree on this important matter. Additionally, review executors of your Will and trustees of your Trust to insure that those persons are still alive and willing to serve in the positions so appointed.
10. Diversify long-term investments with a mix of stocks and stock funds along with mutual funds, bonds, bond funds, and cash accounts. Review as to whether your portfolio should contain some tax exempt securities that possess higher yields. Have your portfolio reviewed each quarter by a trusted, reliable and competent investment advisor. Learn how to chart and monitor your portfolio on your own. Do not depend or rely upon your outside broker to do this important financial planning for you.
11. Consolidate key papers in a safe deposit box or fire resistant safe for home use.
12. Adjust your tax withholding amounts so you are not stuck with a big tax bill in April 2010, nor a big refund, which in reality is an interest free loan to the government.
13. Authorize direct payment for such routine payments as mortgages, car payments and utility bills. You may even save a quarter point of interest on certain loans for such direct payments. Where possible, you should use direct deposit for payroll and social security.
14. Add money to retirement programs like 401(k) plans, IRAs, and Roth IRAs.
15. Shave your mortgage debt by making prepayments or adding additional principal amounts to each monthly payment, or split your monthly payment into 2 payments made 15 days apart.
16. Maintain a rainy day reserve equal to at least four months= income. Keep this cash in a money market fund or short-term CD.
17. Put your financial goals in writing and post them in a frequently observed area to

reinforce your commitment to these goals.

18. If you are unable to invest on your own, join a local investment club, and learn how to begin setting aside money for your retirement. Growth stocks are the focus of several thousand clubs associated with the National Association of Investors at 1-877-275-6242.
19. Set up a Section 529 college investment fund for your children or grandchildren if it is your desire to provide for college funds for these children.
20. Keep an eye on small account and inactive account fees. Most of these fees are rising at banks, stock brokerages houses, and mutual fund firms. Close those accounts if not absolutely needed.
21. Get your credit card bills under control by closing unneeded accounts or at least leave unused cards at home. Pay off all high interest rate credit cards. Attempt to pay off balances each month. This reduces your paying nondeductible interest charges and any potential late fees. Call and write the high rate credit card companies and request a decrease in your interest rate. This may need to be done repeatedly to obtain any sort of reduction.
22. Computerize your investing as much as possible. In fact, computerize your complete personal checkbook. There are many inexpensive, and easily usable software programs that can be purchased and learned very quickly. The newest Quick Books software program is very reasonable and just as easy to learn and maintain on a monthly basis. This is also an excellent way to maintain a personal balance sheet and a personal income statement. These statements will come in use for such things as a refinance of a mortgage, preparing individual financial statements, and accumulating your data for income tax purposes.
23. Learn how to use the World Wide Web to obtain massive amounts of information for free. Use e-mail to correspond with friends and relatives for free. You will be surprised at how easy and fun it is to use e-mails.
24. Relax, slow down, smell the roses and enjoy life, your spouse and your children and grandchildren.