

Op-Ed: What are some positive financial moves I can make in 2019?

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A new year brings a fresh start and a sense of new opportunities. It's a great time to set goals and make improvements in all areas of life. Financial goals are, of course, wonderful goals to focus on in any year. But, it can be difficult to know where to start when setting financial goals. You may wonder, what things should I focus on? How should I be prioritizing my financial life? Should I make any changes? How much should I be saving?

Regardless of your age or financial situation, here are five positive, relevant financial moves that you can make in 2019.

1. Pay attention to your expenses

It doesn't matter if you are a millionaire retiree or early in your career, you're never above monitoring your expenses. In the age of automatic, electronic payments, it's all too easy to accumulate wasted spending over time on various subscriptions, memberships, etc. Simply taking inventory on what you spend could point out some areas that need improvement. This could also include a fee inventory for the home and professional services you pay for.

Monitoring expenses doesn't mean you have to skimp on everything and not enjoy your wealth. It simply means accounting for where your dollars are going. If you are spending \$10,000/year on travel, and you're aware and okay with that amount, then so be it. However, you may find that in certain categories, you're allocating more dollars than you would like.

The end goal for monitoring expenses is not to enjoy less or buy less. The goal should be to make sure your money is going where you want it to go.

2. Review your estate plan

Do you have will, trust, and power of attorney documents in place? If so, when is the last time you've reviewed them? It may not surprise, but estate planning is a consistently procrastinated item. If you've been telling yourself you need to get your documents done, but you've been putting it off, make 2019 the year to get it done!

The task itself is typically not too complicated or expensive. In many cases, a simple will and powers of attorney for healthcare and property are sufficient to cover many estate planning risks. And, these documents, if completed properly, tend to last many years. However, if your documents were completed many years ago, it never hurts to review them to make sure your documents are still in line with your wishes.

3. Conduct an insurance evaluation

Right up there with estate planning on the list of most procrastinated items is; insurance planning. Neither topic is very exciting. However, if you haven't reviewed your insurance needs in a few years, 2019 may be a perfect year to do so. Your review should include every type of insurance you own (i.e. life insurance, health insurance, home and auto, etc.).

Doing an entire insurance evaluation could help you save money, but it could also help you uncover areas of excess risk. You may also identify that a policy or plan you chose years ago may not be the best fit for you anymore.

People fail at properly insuring themselves because they view insurance with a “set it and forget it” mentality. In other words, once the insurance is in place, they rarely will look at again. But, that’s not how insurance should work. You should review your entire financial picture at least once per year, and insurance policies could be a major part of that.

4. Take another look at your employer benefits

Going hand in hand with an insurance evaluation, an employer benefits evaluation is also a healthy practice to take at least once per year. Benefits like your health insurance options, retirement plan options, group life, or group disability are all benefits that should be reviewed to make sure you are taking full advantage of what your employer has to offer.

Many employer-provided benefits are provided on group plans, which typically come with discounted pricing. This makes group life insurance, group disability, or group health insurance plans extremely competitive. Therefore, as you evaluate your own insurance needs, be sure to look to your employer to potentially help implement.

I’ve also seen where employers provided additional benefits and some employees are not even aware. These may come in the form of dependent care flex spending accounts, health savings, wellness incentives, etc. If your employer is offering, you may as well take advantage!

5. Have your retirement picture evaluated

Whether you are 35 or 65, it’s important to make sure you are on the right track for retirement. Retirement planning and retirement saving is something that is done incrementally over a long period of time. Like all others of your financial plan, it is something that needs to be reviewed periodically to make sure you are on the right track. A mindset of regular maintenance and oversight will help minimize mistakes and waste, which will maximize the efficiency of your portfolio.

Your retirement planning tasks may vary based on your proximity to retirement. Younger workers should focus on simply getting started. Middle-aged workers might focus on increasing retirement plan contributions. And, those approaching retirement should focus both on maximizing contributions and constructing a plan for withdrawals.

Bottom Line

Trying to make positive financial moves is certainly a prudent thing to do. However, some may be deterred by not knowing what to do first. The five items discussed here are positive moves for anyone wanting to make progress financially.

For some of these action items, you may need assistance in completing the tasks. However, it's not overly difficult to find qualified professionals who are willing to help. Start your search by looking for CERTIFIED FINANCIAL PLANNER™ professionals in your area. And, here's to a prosperous 2019!

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