

YOUR FINANCIAL FUTURE

2008

(ARA) – “The key to financial fitness is preparation. Whether preparing for retirement, college for your children, a vacation home or even the unexpected, everybody needs to take time each year to reexamine what they’re doing and the progress they’re making in order to reach those milestones,” says Christopher Pinkerton, senior vice president for Foresters, a leading fraternal benefit society that assists people in achieving financial security.

Here are some easy ways to put together a financial fitness plan so you’re better prepared monetarily for the days and months to come.

Saving Money

Create a monthly budget, setting a savings goal and projecting your financial needs.

A good rule of thumb is to set aside three to six months of salary for unexpected events such as a job loss, major car repairs or large medical bills. In addition, identify “known expenses” that are coming up such as college costs, a new car or a new addition to the family, and build them into your budget. Save for these expenses a little each month. Before you know it, you’ll be a step ahead.

Taxes

Review the withholding on your paycheck and adjust it if necessary. Gather and sort out your receipts from the past year to identify deductions. Set up a system to keep track of receipts for next year, so you don’t miss out on any deductions moving forward. Speaking of which, this is also a good time to determine which charitable contributions you plan to make in the coming year.

Retirement

Review the status of your 401(k), IRA and pension plan. If appropriate and consistent with your goals, sign up for any increases offered through

your employer.

Are you on track for growth, or is it time for an investment change? Small changes can have a big impact on your ability to build strength through investments.

Estate Planning

It’s always a good idea to plan for your family’s financial security. Do you have a will, trust or health care directive? Ensure that you have a guardian named for your children, and that you’ve outlined how your assets will be transferred.


Life Insurance

Life insurance can be the backbone of financial security, and an important step in financial fitness.

Remember, life insurance makes sure your family can keep the house, send the kids to college or sustain the family’s livelihood. Some life insurance products can also provide savings and investment options.

“As your life changes so will your life insurance needs. Be sure to check the beneficiaries. And consult with a life insurance representative on a regular basis to help you determine if you have the coverage that fits your needs,” says Pinkerton.

Conventional wisdom recommends households should carry anywhere between two to 10 times your annual income in life insurance.

If you don’t have a life insurance policy — or any of the other financial plans mentioned above — now is the time to get those parts of your life in shape. With the help of qualified professional advisors, you can put a financial fitness plan in place and prepare both you and your loved ones for the future. Courtesy of ARAContent 

Retiring? Top Six Things to Consider Before You Leave Your Job

(ARA) - For baby boomers approaching retirement age, preparing for the golden years may mean making important decisions while still in the workforce. Many people are uncertain about where to start.

To help Americans get started, Prudential Financial has identified six important financial considerations to think about before retiring:

Define Your Retirement

Some may decide to work part-time, launch a completely new career, or perhaps go back to school, volunteer or develop new hobbies. Consider if you need to downsize or remain in your current residence.

Know Where You Stand

Take inventory of your assets and possible income sources,

and understand how your retirement plan will help provide you with income during your retirement years. Save as much as possible while still working.

Estimate Your Expenses

Healthcare can be a significant expense category, so understanding what your healthcare plan covers in retirement is critical.

Manage Asset Allocation


Regularly monitor and review your investments to ensure that they support your goals and to determine if you should reallocate your assets among different investment types.



Plan For Your Beneficiaries

Create a will, choose a guardian if needed, and select who will manage your estate.

Explore Options To Create A Retirement Income

Research product strategies that can help generate a guaranteed retirement-income stream. It may be advantageous to purchase these products while you are still working. Courtesy of ARAContent 

Secrets of Successful Savers

(ARA) - “Consumers are potentially leaving money on the table,” says Pierre P. Habis, managing director for deposits and investment services at Countrywide Bank. “Serious savers view their savings accounts as ‘one-way’ only, meaning they make more deposits than withdrawals.”

So what are the three secrets of successful savers? Habis offers the following advice:

Separate

Keep your primary savings and checking accounts at different financial institutions. This strategy may help you get the best rates, and will make it more difficult to dip into your savings — one of the worst saving mistakes people commit.

Automate

Paying yourself first is one of the hallmarks of a basic savings plan. Establish a savings plan, whereby a percentage of your income, or a set dollar amount, is automatically deposited into your savings account on a regular basis.

Shop for the Best Rate

To find the best rate, survey several banks and compare the APY on your savings accounts, money market accounts or certificates of deposit.

“As with any financial decision, consumers should carefully evaluate their options and fully understand the advantages and disadvantages before making a change,” Habis says.

Courtesy of ARAContent 