

Resolve to Achieve Financial Success in 2014

Written by Rob Copeland

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How did you do in 2013? Did you meet your goals for investing? Did you manage to stay within your budget—did you even have a well-organized budget?

No matter what your successes or failures last year, the beginning of a new year is the time to reset your goals for the year ahead. Take pride in your past successes, but beware of complacency. If 2013 wasn't as successful as you'd hoped, it's time to move ahead with fresh plans.

So what should you review as you prepare for the year to come? First and foremost, you should know how much money you have, where it's coming from and where you're spending it. Countless numbers of people have learned that getting organized around a budget is a foundation for financial success. I recommend Mint.com, a free budgeting tool that's simple to use and highly effective. The service allows you to keep track of your banking information, your investments and your debts, all in one place.

As you create your budget, remember to leave a financial cushion for unexpected events and emergencies. Likewise, bear in mind that some months' expenses tend to be higher than others'. So plan for them: If you always take a June vacation, budget the funds for it so that you're not stressing about how to pay for your getaway instead of enjoying it.

The start of each year is also a good time to set financial goals. That includes short-term goals, such as paying off a car loan, or retiring a certain amount of credit card debt.

Long-term goals often benefit from a fresh review as well. Take another look at how much money you'll need for retirement, and make sure that you're contributing enough to reach that goal. If you're not sure, call me and we will calculate your target goal and how much you should be saving to reach it.

If you've made impulsive investment decisions that hurt your long-term goals, resolve to be more patient this year. Investing for retirement isn't a sprint, it's a marathon. An important investment move you can and should make at the start of the year is rebalancing: Make sure the proportion of stocks and bonds you own fits within your risk tolerance level. And if you think

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your risk tolerance level has changed, call me and set up an appointment so I can recommend an investment approach based on that change.

Make sure, of course, that you have at least six months worth of living expenses in an emergency fund. If you don't, make 2014 the year you start building that fund.

Finally, I can't overemphasize the importance of letting any financial disappointment from last year go. Second-guessing can have a paralyzing effect that can keep you from making sound decisions. So start fresh, decide you're going to reach your goals, and make some resolutions to help get you there.