News Release

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Get a Financial Checkup

January is the ideal time to take a good look at your personal and family finances. It is a good time to take stock of where you are, in preparation for doing taxes and recovering from holiday spending.

The first step of a financial checkup is to get organized. If you do not have a record-keeping system, the beginning of the year is a good time to start. Start with an expanding file folder or even a kitchen drawer. What you need is a specific place to store receipts, billing statements, payment booklets, bank statements, owners’ manuals and other important papers. Keeping all these records together in one location will help to avoid frantic searches later.

Next, set some goals for the coming year. Get everyone in the family involved. Meet with your children and talk about family financial goals for the coming year. Each individual should set personal goals, too. Let them write it all down, help figure out how much their goal will cost and plan for covering those expenses.

Everybody should have a say in the plan, so it is easier to know what the cost will be. All family members should have input into how at least some family money will be spent.

After setting these financial goals, develop a plan for saving the money to make the goals a reality. Look at everyday spending habits and how they can be reduced.

Try using a 30-day spending calendar for everyone in the family. Keep track of how much you spend every day to find out where the money goes. This can help a lot more than just telling your family to spend less. They will see in black and white where the money goes. It can be an eye-opener to discover just how much your family actually spends in vending machines, at convenience and fast food stores each week — those $1.50 soft drinks and 75-cent candy bars add up to more than just extra pounds. Most people do not add up those costs, so they are unaware just how much they are

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spending. The spending calendar helps determine what they can to do reduce everyday costs and to help reach their goal. They could cut back and still be happy while directing funds to a more high-priority goal.

Once plans for reaching the family's goals are developed, get everybody in the family involved in carrying out the plan. If the kids are actively involved in reaching a goal, they are more likely to cooperate.

Getting into better fiscal shape does not require doing sit-ups or avoiding calories. All it involves is doing a little planning and sticking to it. One last thought for the new year and better family fiscal health: At least once a year, look at how your investments are doing and check to see if you have an adequate amount of life insurance and disability coverage.

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