

Maximizing Fiscal Fitness with Budget Basics

by Kevin McCrossin



N

Nowadays, there is an array of financial computer software that can help you stay fiscally fit. Technology certainly can be a valuable tool, but good, basic habits are necessary to put you in solid control of your finances. As you use the wonders of computer software to gain a grip on your financial life, remember that the following regimen can help you achieve a healthy level of financial security:

1. Regularly review your financial well-being. It is important to constantly review your financial situation and to, at least annually, get together with your financial professional in order to get appropriate recommendations specific to your situation.
2. Your financial goals need nourishment, too. Each month, transfer a set amount from earnings to savings or investments. A monthly investment of \$100 earning 6 percent interest will grow to over \$16,000 in just ten years.
3. Eliminate the fat from your financial diet. Avoid high credit card finance charges by paying off balances due monthly or, if you must carry a balance, use only cards offering low finance charge rates.
4. Don't forget the financial food groups. Spread your risk among many investments, including mutual funds, stocks, bonds, and real estate. More conservative products, such as fixed annuities, can reduce much of the risk associated with variable return investments.

5. Take your financial vitamins. If you qualify, contribute to an IRA, 401(k) plan, or other plan offering tax-deferred investment to help fund your retirement. There are now higher income limits; therefore, more people will qualify.

6. Protect your financial health. In light of the recent tax law changes, have your will and any trusts reviewed by an attorney. Have a qualified insurance professional review your current life and disability policies and your possible need for any new insurance.

7. Set short- and long-term financial goals. Work within three time frames, setting one-year, three-year, and ten-year goals. Evaluate your progress each year and make adjustments, as appropriate, to achieve long-term success.

By making a commitment to start this planning process now, you'll place yourself on the road to financial health and well-being.



Kevin McCrossin is a Registered Representative of and offers securities through MML Investor Services, Inc. The 75 professionals and support staff at Whipple & Associates have been providing financial products and services to individual and business clients for 40 years. Contact kevinm@phillyfitmagazine.com