

Straighten Up Your Financial House!

Is your financial house in order? From time to time, it's a good idea to spruce things up a bit. Use some of the following helpful hints to make the task a little more orderly and worthwhile:

1. **Clean the "attic."** That's the spot where you have stored items such as old, unused credit cards, bank accounts under \$10 you forgot to cash in. Close them out or cash them in.
2. **Refurnish your credit "room."** This can include refinancing your mortgage when mortgage rates are low, transferring credit card balances to lower rate alternatives, and utilizing a home equity line that offers a low rate and tax deductibility of interest. You will appreciate the new "look" you create. It can be especially pleasing to empty the "room" of some credit commitments by paying them off completely, thus giving your overall budget more breathing space.
3. **Look at future "housing" needs.** What accommodations have you made for your retirement? One valuable mechanism in today's changing world of taxes may be the 401(k) plan, which can provide you with current reduction of taxable income, and an excellent tax deferred savings plan.
4. **Solidify your foundation.** Now may be a good time to review your life insurance policies. The plan you established years ago may need updating to meet your current needs. Setting up an annual review with your insurance professional can be instrumental in ensuring the adequacy of your coverage.
5. **Protect your home.** Update your homeowner's policy and make a videotape of your home—both inside and out—as well as your valuables. Store the tape in your safe deposit box and add to it as the need arises.
6. **Dust off your tax records.** The time when you will need them will be here before you know it. You may also want to speak with your qualified tax professional regarding any changes you need to make to brighten your tax picture before filing your return.
7. **Establish a regular maintenance program.** If you haven't done so previously, set up a budget. Make "paying yourself first"—putting a set amount into your savings every month—a priority. Analyze your current spending habits and plan ahead for large bills and expenses.

It is always more relaxing to live in a clean and orderly home. By taking these seven steps, your financial home will become an inviting, enjoyable corner of your life!