

The Basics Checklist: 13 GenFi Financial To Do's for 2013

JANUARY 2013



- ___ 1. **Set goals:**
 - Written on paper
 - Timeframe for completion, schedule on outlook
 - Realistic to meet
 - Example: Increase my savings rate to 20% of salary
- ___ 2. **Credit score - Goal:** Above 800
 - Review quarterly (www.creditkarma.com)
 - Correct mistakes via correspondence to Transunion, Equifax, and Experian
 - Keep all running balances below 1/2 your credit limit
- ___ 3. **Refinance - Goal:** Less than your current rate, no fees
 - Rates are at all time lows; talk to your current lender
 - Utilize Bankrate to get a range of current rates in your region (www.bankrate.com/refinance.aspx)
 - Get 2-3 good faith estimates detailing costs before deciding on a lender and pulling a credit report
 - If you are within 10 years of retirement, consider a 15 year term
 - Results on appraisals can vary as much 15%
- ___ 4. **Get out of debt - Goal:** Zero Debt
 - Use savings from your above refinance of mortgage to payoff existing debt
 - Tackle highest interest balances first
 - Review annual and monthly budget, cut spending
 - Create a balance sheet that shows all assets and liabilities, update and review annually
- ___ 5. **Emergency fund - Goal:** 12-24 months of living expenses
 - Utilize a high yield savings account or CD ladder
 - Set up direct debit from your paycheck for additions
 - Add any tax refund or bonus
- ___ 6. **Retirement savings - Goal:** Increase investible assets
 - Utilize 401k contributions and employer matches
 - Add 100% of annual bonuses (post completion of #5)
 - Target a \$ or % increase; Don't dip in for ANY reason
- ___ 7. **Investment performance - Goal:** Review Quarterly
 - Make sure your advisor provides statements that show annual performance relative to benchmarks for each asset class; if you are not currently receiving this, request it
 - Active management: understand focus, holdings, performance, and additive/accretive drivers for each
- ___ 8. **Fee analysis - Goal:** Know how much you paid
 - Fees have a large impact over time on results
 - Utilize a fee analyzer from AARP or Personal Capital
 - Many times fee disclosures can be confusing or don't show up all in one place, so ask for assistance from your advisor
- ___ 9. **Investment policy statement - Goal:** Put one in place or revisit your current IPS annually
 - An IPS will set your target asset allocations to each asset class and help manage risk & diversification
 - Rebalance when any asset class diverges from target by greater than 2%
 - Reduce emotion in your decision making process
- ___ 10. **Retirement projection - Goal:** Review annually
 - A good retirement projection will quantify savings/spending levels necessary to make your current nest egg grow and last for your lifetime
 - Essential if already retired to confirm sustainable withdrawal rates
 - Make sure you understand assumptions used for social security, rate of return on investments, life expectancy, living expenses, inflation, and any changes to model after death of one spouse
- ___ 11. **Income Tax - Goal:** Understand how tax law changes from Jan 2, 2013 impact you
 - Find an advisor capable of assisting you with tax aware allocation, income tax projections and planning suggestions
 - Make sure all your financial advisors collaborate
- ___ 12. **Estate planning - Goal:** Update or complete
 - Get your Health Care POA, Financial POA, Will and revocable trusts in place or updated
 - Check all current beneficiaries on retirement plans, IRA's, insurance policies and trusts
 - Take advantage of \$14,000 annual gift exclusion
- ___ 13. **Insurance - Goal:** Review annually
 - Review costs and coverage
 - Do a home inventory for replacement costs
 - Make sure your highest risk areas are covered: Medical, Disability, Property Casualty, Long Term Care

Please contact Julie Zakarias at GenFi for assistance with any of the above items. For more information: www.genfiffs.com. Phone: 872.213.1113 or email: jzakarias@generationsffs.com

