

## FINANCIAL CHECKUP CHECKLIST

- \_\_\_ Realize the only 3 things you can do with your money: Spend, Service Debt, Save & Invest
- \_\_\_ Consider raising deductibles on insurance policies: higher deductibles = lower premium payments
- \_\_\_ Use your Flexible Spending Account (FSA): pre-tax dollars to pay for health expenses
- \_\_\_ Pay off debts with highest interest rates first: it's identical to earning that rate on an investment
- \_\_\_ Monitor your credit reports regularly: get 3 free each year at [www.annualcreditreport.com](http://www.annualcreditreport.com)
- \_\_\_ Know your 2 saving & investing priorities: a Contingency Fund and a Retirement Fund
- \_\_\_ Have 6 months of living expenses in Contingency Fund: for job loss, medical expenses, etc
- \_\_\_ Contribute to your 401k even if your employer doesn't match your contributions
- \_\_\_ As long as you have earned income (a job), you can have a traditional IRA
- \_\_\_ Understand the 2 key investing principles of Asset Allocation and Diversification
- \_\_\_ If you have more than 10 years until you'll retire, the majority of your Retirement Fund should be allocated to stocks, the remainder to bonds: think 90% & 10% or 80% & 20%
- \_\_\_ Diversify: don't have "all your eggs in one basket". Investing in the S&P500 (500 stocks) and Barclay's U.S. Aggregate Bond (1,000's of bonds) indexes provides excellent diversification
- \_\_\_ Review all the fees & expenses you're paying on investments, they subtract from your returns
- \_\_\_ Rebalance your retirement fund annually: you want to maintain your Asset Allocation %'s
- \_\_\_ Learn what happens to your options & RSUs if your company gets bought instead of going public
- \_\_\_ Create a will: a document where you address many things, including naming a guardian to raise your minor child should you die before she turns 18, otherwise, the state chooses someone
- \_\_\_ Don't buy life insurance unless someone depends on you financially
- \_\_\_ Do not get income tax refunds: you're loaning your money to the government interest-free
- \_\_\_ Claim "Excess Social Security tax credit" (1040, line 71) if had more than one employer in a year
- \_\_\_ Determine the right age for YOU to begin taking Social Security benefits: the 2 factors are whether or not you need the income to live on, and your thoughts on your life expectancy