

Spring Towards Your Financial Goals

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Spring is my favorite time of the year. The gloom and cold of winter rains give way to blue skies and the warm weather of spring. New leaves and bursting flowers put an exuberance into our spirits, and everything seems possible. It is such a vibrant time of year! While we may think of all things outdoors right now, it is also a good time to focus that renewed energy on our financial goals.



Tax time is over so there could be a refund coming your way or you may have parted ways with the spare cash you were saving to pay good ole Uncle Sam, so you have a good idea of where you stand with your reserves. Regardless, before you check that off the list for another year, it's a great time to consider a few things to make it better for next year.

- Set up your tax file for 2024 and make sure you are recording and capturing everything that is important while it is still fresh in your mind.
- Create your system for tagging tax items as you go through the year, so it is all right at your fingers next time.
- Review your payroll withholdings, especially if you owed a lot or had a huge refund. Your CPA can help you find the right numbers, but you can also add a set amount per paycheck of additional withholding if you find yourself short for 2023. The sooner you start, the less you'll need to part with each pay period.
- Consider moving to a high-deductible health plan with a Health Savings Account next year. Would that work for you? If so, put a note in your calendar before your next open enrollment date to analyze the features. (Sometimes amid all the other elections, it's hard to remember what we want to focus on during our benefit selection, so a good reminder can come in handy.)

While we are in the mindset of thinking about our financial goals:

- How is your 401k withholding? If you aren't maxing out the amount you contribute, consider boosting the contribution a bit. If you are, perhaps shift a percentage or two over to the Roth 401k option if your plan allows it. You'll pay income tax now, but you won't when you withdraw the funds in retirement.
 - A lot of plans have a paycheck simulator so you can understand the overall impact of that change.
- How are your savings goals tracking?
 - Do you have your emergency fund well-stocked?
 - Are you saving for that "big ticket item" like a replacement car or a big trip?
 - Try setting up a separate account and using the auto-transfer feature at your bank to automate your savings.
 - If you had an overspend last holiday season, it's not too soon to start tucking away money each paycheck into the holiday fund!
- Is your debt paydown on track? Take a careful look at the interest rates on any debt you are paying. Credit card rates can be astronomical so if you are paying those high rates, make a plan to cut back on spending and ramp up the paydown. Think of how much cash that would free up each month to be rid of those payments!
 - Try to make it a game to see how little you can spend in a week – what if you didn't pull out that credit card at all for just one week?
 - Could you plan a free evening with friends and apply that money to your debt balance?
 - What could you do to be creative and cut back on spending?
 - What works best for you as a goal reminder when friends call, or you see a sale? Having a plan in advance of the situation makes a huge difference in navigating it!

The day-to-day of our work, family, household chores, and friends fills our days, and we get caught up in "what's next" and can easily forget the longer-term plans and goals that lie buried in our minds and hearts. It takes a bit of quiet and a conscious focus to turn our thoughts from the here and now to the desires we have for our financial lives.



As you see the new life of spring burst forth, remember that your financial goals are there inside you waiting to burst forth as well. It just takes a little quiet time, a little focus on what you truly want, and a solid plan to move toward those goals to allow some spring energy to reinvigorate your goals.

To learn more or get help planning your financial goals, please email me at gildea@homrichberg.com.

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