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Lynn's Top Five

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When I think about spring it's the warming weather and beautiful gardens that come to mind. I also believe that it's a fantastic time of year to challenge ourselves to a Fiscal Fitness Test and where we come up short, make changes now. Here are five areas to focus on:

1) Exercise those budgeting skills. Is your budget bloated because of overspending? Examine the parts of your spending that are discretionary and see if you really need to buy all those things and if not, cut 10 percent out as a good start toward healthier fiscal behavior. Reboot with the notion that you should shop with a list and if it's not on the list, step away from the purchase. If one month is out of control, cut back on all spending in other months until you are back at your baseline budget.

2) Get your family support group set up! Living with a fiscal plan is a challenge when we don't have each other's back. Gather your family and friend team around you and set course together on your goals. Have your kids and even grandkids participate so they develop excellent long-term money management skills of their own. That will pay dividends of a fiscally healthy life for generations to come. Get your friends on board, too. If everyone in your life is focused on fiscal health, you can be there for each other and there's less of a chance for inadvertent sabotage and derailment.

3) Time for a retirement plan scan. Are you fully participating in all your retirement plans at work? Are you leaving money on the table by not fully qualifying for any available company match? Do you know how much you need to invest systematically and which plans are best for you? Whether you are self-employed or receiving W-2 income, there are many different types of retirement plans you can set up. If you are overwhelmed by the choices, don't faint! Work with a Certified Financial Planner(tm) and your tax advisor to help you narrow the list and weigh the pros and cons of each.

4) Shed the weight of risk! Insurance is an important part of a well-crafted financial plan and rather than tossing and turning all night and losing sleep, meet with your CFP(r) and your Insurance specialists to figure out what you can afford to self-insure and what risks you can transfer to others. Don't spend money on the wrong insurance and coverages! Instead design an insurance portfolio that works perfectly into your plans and covers your needs. Here are some of the coverages you should investigate and review: health, disability, life, long-term care, home, auto, liability, earthquake and perhaps business insurance, rental properties and even board of director's insurance if you serve in that capacity. Sounds like a lot and at first, it can be daunting. Tackle these different types of coverage one by one and educate yourself about what is needed and what isn't in your own situation. Your pros are there to help you.

5) Take your investment portfolio's temperature. Do you know what you own? Is your portfolio working the way it should to get you where you want and need to go? Do you have upcoming cash needs and no liquidity to handle them? This is the perfect time to evaluate your holdings with respect to your financial planning goals and objectives. As part of that process, be sure you understand your risk tolerance and use that as one measurement to see if your asset mix is appropriate for you and your own situation. An overheated portfolio may look exciting on paper, but when markets cool, you want to be sure you can handle any volatility that comes your way. Work with your Certified Financial Planner(tm) to review all the aspects of your portfolio, making warranted changes but only after a comprehensive review that includes issues such as costs, fees, liquidity, risk and tax implications.

Remember that as with all fitness challenges, your fiscal fitness test will need some review and redesign as the goals and objectives of you and your family change over time. And like all challenges, it might sound overwhelming, but the gain is worth the energy you'll expend. Get the team in place and go for the win! Happy spring!

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