

FISCAL FITNESS

5 Tips for Financial Success

WELCOME to the latest edition of Fiscal Fitness! As we head into the New Year, now is a great time to get your financial house in order. Make your own Money Resolutions and start the year out right with a few basic tips, no matter what your age.

Create Your Financial Plan Every successful business has a business plan, so why don't you? There are many on-line tools to help you get started. Some of us need a little more help than a cookie-cutter questionnaire about our goals and objectives. Give up the new shoes and invest in a Certified Financial Planner® professional who will work with you side by side to create a plan with a purpose. Once you have the why, you can build the financial roadmap to get you there!

Live Within Your Means Do you really know what you spend each month? It's time to take an honest assessment of your expenses and keep track of frivolous spending. This can be challenging for many, considering we use debit, credit cards and cash for purchases.

Ever hear the phrase "lifestyle inflation"? It means your cost of living rises as your income rises. I have worked with many wealthy individuals & families over the years and have noticed a common theme—as income levels rose, the cost of living remained remarkably the same. In other words, they lived below their means. By doing so, most were able to accumulate a substantial nest egg for retirement.

Studies have shown that people who use plastic are unconsciously willing to spend more than someone paying with cash, a phenomenon often referred to as the "credit card premium". If you had to go to the ATM machine to get cash, would you still buy those designer shoes? Better yet, put the item on hold for 24 hours. Chances are, you will not go back.

Contribute to Your Employer's Retirement Plan Did you know that less than 50% of individuals contribute to their employer retirement plans, leaving employer contributions on the table? If you are eligible for a 401(k), 403(b),

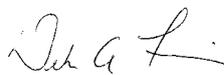
and most 457 plans, you can defer up to \$18,000 in compensation in 2017. If you are age 50 and older, you can defer an additional \$6,000 in 2017. If you cannot contribute the maximum, at least contribute the amount that your employer is matching. If you are married and not working, you may be able to contribute up to \$5,500 with an additional \$1,000 if age 50 or older (MAGI phase out limits apply).

Plan for the Unexpected Now is a great time to review your insurance coverage, particularly if you have older policies. Have your needs changed? If you are suddenly single, do you still have the need for a large life insurance policy or would a policy with long-term care benefits be more appropriate for your financial future?

Update Your Estate Plan Remember, your will or trust will not override what is named on the beneficiary designation form on a life insurance policy, annuity, or retirement accounts (IRA or 401(k) plan). For this reason, it is imperative that you update your beneficiary designations immediately to reflect your current wishes, particularly if you are recently divorced or widowed.

Did you know the federal limits have been raised in NJ? The state estate tax exemption has been increased from \$675,000 to \$2 million for deaths as of January 1, 2017. Remember, the existing New Jersey inheritance tax remains in effect and is levied on siblings, nieces and nephews.

Whether you believe it or not, the new administration will bring about changes to the investment landscape and how we plan for retirement. Now more than ever is the time to take an active role in managing your finances. "Now what" is not a strategy. *Together we can make it happen...*



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About THE AUTHOR

DEBRA FOURNIER, CERTIFIED FINANCIAL PLANNER™ and Certified Divorce Financial Analyst™, has been providing comprehensive wealth management and investment advisory services to families and independent women for over twenty years.

Recognized as an experienced and knowledgeable professional in the areas of divorce financial planning and transitional planning, her guidance is often sought when there are complicated financial issues, significant assets or an imbalance in financial knowledge between divorcing couples.

Debra is active in her community, serving on the executive board of the Academy of Finance at Manasquan High School and the mentoring program at the Leon Hess Business School, Monmouth University.

She has been quoted in **Kiplinger's Personal Finance Magazine** and **AOL Daily Finance**, appeared numerous times on **Good Day New York** and has been featured in the **Asbury Park Press** section Getting Ahead.

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(1) Bureau of Labor Statistics

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