How to Turn This Year's Pain into Gain

Fitness isn’t just physical—with just a bit of “exercise” you can also improve your “financial fitness.” As 2009 comes to a close, the time is right to turn recent economic pains into personal finance gains and make 2010 a better, financially fit year.

Warm Up: Budget for the Holidaze
Top your gift-giving with the start of a new tradition: give home-made centerpieces, decorations, or cookies and candies. Next, plan holiday shopping; avoid over-spending by sticking to a carefully crafted list and paying only in cash. Leave credit and debit cards at home and what you spend is what you’ll see. Shopping online? Look for free shipping and check out Web sites like retailmenot.com for coupon deals.

Get Set: Weigh-in on 2009 Finances

> Inventory your spending. Online access to bank and credit card statements makes it easier than ever to review cash and credit flow. By categorizing and understanding spending patterns now, you’ll be able to set realistic goals for 2010.

> Assess your 2009 tax liability. You may be able to reduce your tax exposure now by donating to charity or making your January house or property tax payments early.

Go: Exercise these Money-Smarts in 2010

> Make a Financial Fitness Calendar. Assign yourself an “exercise” for each month and tone up. For example:

  > In January, look at taxes. If 2009 will net a hefty tax return, consider adjusting your income tax withholding. Apply the savings to a specific debt or start a high-yield savings account.

  > In February, conduct a bank review. How much are those pesky ATM and service fees costing? Is it time to change banks?

From wills to auto and life insurance, you can easily tone a financial muscle each month. And just like physical fitness, stick to it and you’ll be in better shape by year’s end.

> Set achievable goals. Whether it’s to buy a home or simply pay-off a credit card, if you set goals based on payments you can manage, you’re more likely to stay on track. Web-based calculator tools at bank or credit card sites can help you devise a workable payment plan. Just like getting physically fit, financial fitness can start with a few small steps.

Additional Information
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