

# Financial Resolutions to Make (& Keep!)

Too often, New Year's resolutions are wasted efforts. But some simple fiscal pledges can really pay off for years to come, so don't let these fall by the wayside.

Story by S. Kay Bell

**E**VERY JANUARY, WE ALL MAKE RESOLUTIONS. BY FEBRUARY, we've discarded them. When it comes to your finances, however, the start of a new year is a great time to put things in order. And if you keep your financial life under control from January through December, not only will your life be easier, the resolutions you make and keep could save, or make, you money.

## Create a Budget

Let's start with what most of us find to be the biggest financial bugaboo, budgeting. Budgeting can be intimidating, but it's a proven way to get what you want by helping you make wise financial choices. Do an honest analysis of your current financial situation. Where does your money come from and where is it going? If more is going out than coming in, you have to prioritize your expenses and make cuts.

The key to successful budgeting is distinguishing between "wants" and "needs." "Needs," those items that are necessary to sustain you, are easy to identify: shelter, food, clothing and transportation to get you to the job where you earn the money to pay for your needs.

"Wants" can certainly enhance your life's needs, such as a bigger house or a newer car, but don't bust your budget simply to satisfy a want. By following your budget, you'll be able to meet your needs and save enough money to acquire some of life's little luxuries.

## Establish an Emergency Fund

Make sure your budget includes an emergency account. You should have three-to-six months' worth of expenses set aside to cover your



needs. Keep this money in a separate account so you won't be tempted to spend it. Also make sure it's a savings vehicle that you can easily get to if the worst happens. A high-interest paying account is nice, but you don't want to pay a penalty if you need to get to the emergency money before you meet the fund's withdrawal terms.

## Check your Credit Report

Identity theft, while not getting the attention it did years ago, remains a problem. Too often, you don't discover your credit has been compromised until you need it. So before you apply for that loan, check your credit reports to make sure there are no discrepancies or problems in your credit history.

Thanks to the 2003 Fair and Accurate Credit Transactions Act, you are entitled to a free copy of this important consumer document every year from each of the three credit-reporting agencies, Equifax, Experian and TransUnion. All you have to do is ask. You can call toll-free at 877.322.8228 or go to [www.AnnualCreditReport.com](http://www.AnnualCreditReport.com). This is the only authorized credit request website, so don't be fooled by offers from sound-alike sites.

Most of the time, the same data shows up in each report, so take full advantage of your free copies by staggering your requests. Ask for Experian's data now, TransUnion's information in May and Equifax's in September; then start the process over next January. If between credit bureau checks you're denied a loan because of your credit data, the law still allows you to get free credit reports to find out what is the problem in your file.

## Take Care of Estate Planning

Discussing end-of-life issues is never comfortable, but estate planning is critical, both to you and

your loved ones. "People hear the word 'estate' and automatically think 'rich,'" said Brooke Hardie, an Austin estate planning attorney. But regardless of your financial standing, if you own a piece of real property or any kind of assets, you need a plan for the ultimate distribution of your estate. "You want to make sure your property goes where you want it," said Hardie. "If you don't, the state will take care of those decisions."

Hardie said that no matter how much or little you own, what debts you have or who's in your family, you need to have a will, medical power of attorney, living will and durable power of attorney for finances.

Most people are familiar with a will, which tells your friends, family and the state of Texas how you want your assets distributed. With a medical power of attorney, you appoint a person to act on your behalf, bearing in mind what you would have wanted, in the event you can't make your own medical decisions. A living will allows you to designate whether you want to remain on life support and gives some guidance on how that decision should be carried out. "It's an important document if you know where you stand on that issue," said Hardie. "It takes the burden off the next of kin."

The fourth estate planning component is a durable power of attorney for finances. "This is a powerful document, a document that in essence, unless you limit it, enables someone to step into your shoes from a financial perspective," said Hardie. "If you're incapacitated or just unavailable, say you're off to war, the person you designate can do what needs to be done to keep your finances going. They are, from a financial perspective, you."

If you have minor children, you'll also want to have a formal guardianship plan. "In this designation, which can be made in your will or separate

document altogether, you determine who you would like to take care of your children and the judge will take extra notice of the fact," said Hardie. If your preferred guardian checks out, the court will make it official. And just as important sometimes, noted Hardie, you can specifically say you don't want someone to be appointed legal guardian.

## Double Check your Beneficiaries

Do you have a retirement account at work? When you established the plan, you named a beneficiary. Make sure that is still the person you want to eventually have the account. Do the same with any insurance policies. Ordinarily, assets with pay-on-death provisions pass outside of the probate estate. This means they will automatically go to the designated beneficiary, even if your will has a contradictory provision. Prevent such unintended inheritances by making sure your beneficiary designations are correct.

## Evaluate your Insurance

When you're looking at your life insurance to make sure the beneficiary is correct, also evaluate whether the amount of insurance you're carrying is appropriate. If you obtained the policy to pay off a mortgage in case a wage-earner died but now your home loan is paid or nearly so, you might be carrying, and paying for too much coverage. Also check your disability, homeowners and auto policies. Make sure your home insurance reflects the current value of your home and that you have cost-replacement coverage.

## Document your Efforts

If you're the person who handles your family's money, make sure you have a backup plan. Talk

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will politics draw her back? She denies it, yet she was much in evidence – and demand – during the 2008 Presidential campaign, appearing on news shows, chat shows and writing newspaper comment columns. While many speculate, some are certain of this extraordinary woman's future. As Rena Pederson, who has known Hughes for over 30 years says, "I can't wait to see what she does next. I know she'll be terrific." ★

*FINANCIAL RESOLUTIONS* from page 74 with your spouse about your bill paying system, investing strategy and other regular financial tasks. If that's not going to happen – and yes, some spouses foolishly want to remain in the dark when it comes to money – at least create a document detailing that information. It should include account numbers and passwords, a schedule of when regular bills are due, stock and other asset data and all insurance policy details.

By taking some time this January to make these resolutions and then follow through during 2009, you'll make sure that it is indeed a Happy New Financial Year. ★

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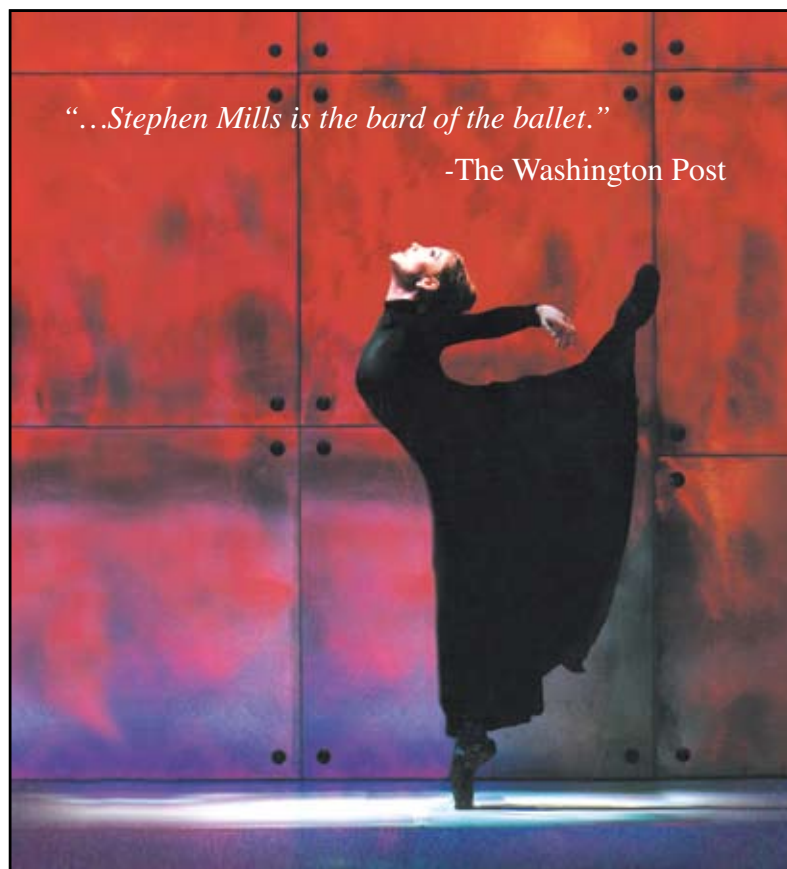
as limiting an experience as only having California Chardonnay at the table ... all the time. With winter upon us, great beer styles ... ales, porters and stouts stand up to and are marvelous matches with foods from venison chili to duck confit.

Beer can be as complex as wine. Colors range from pale straw to almost full black. Heady aromas redolent of grass, fruit, yeasty breads and roasted nuts accompany flavor profiles from zesty citrus to creamy, smoky caramel. Beers can be as lean and tight

as a Sauvignon Blanc or almost as rich and lush as a great port. And as with wine, a beer tasting will heighten your awareness of what this beverage has to offer. You can choose to explore the beers of one country (i.e., England) or a unique style such as lambic beers that are made by spontaneous fermentation and usually sweetened, blended or prepared with fruit and are viewed as precursors of all beers. Add a food pairing component and the experience soars to new levels of culinary consciousness. For a great wintertime get-together visit our website at [www.austinvwomanmagazine.com](http://www.austinvwomanmagazine.com) and download the "Let's Go to the Hops Beer Bash" party planner.

### Hop Back into Health in the New Year

In the end, never judge a bottle by its label alone. Beer has been with us for eons and is here to stay. Throughout the ages it has served us women well and continues to do so. Dr. Margo A. Denke, an associate professor of medicine at The University of Texas Southwestern Medical School, conducted clinical research on the health effects of alcohol, focusing mainly on beer. In conjunction with all the benefits associated with moderate alcohol consumption (i.e. increased HDL and lower LDL levels, blood thinning properties and lower insulin levels), Dr. Denke came to believe that beer is a more beneficial alcoholic drink than spirits. Beer is a food containing many nutrients per serving: proteins, B-vitamins and an important mix of minerals. Denke, with support from other researchers, has also concluded that beer provides similar levels of polyphenols as red wine along with their health benefits. So women, lift those glasses of beer in 2009 and drink to your health. Just as beer kept the "wolf from the door" in darker times gone by – it may do the same for us today! ★



# Hamlet

Feb 13-15, 2009 | The Long Center  
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Choreography by: Stephen Mills  
Music by: Philip Glass

Stephen Mills' contemporary ballet, *Hamlet*, was first staged for Ballet Austin in 2000. Since then, it has been performed numerous other companies around the country. The score is a compilation of Philip Glass symphonic and film music. The story of Hamlet, Ophelia and Claudius brilliantly adapts to Mills' exquisite staging.

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