



Personal Finances

Resolving To Get Your Financial House In Order

by John Addison

(NAPSA)—Anytime of year can be the right time to resolve to make changes in your life—particularly when these changes concern money.

Here are five resolutions that are likely to improve your financial health.



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• Resolved: I will eliminate revolving debt. Start by buying only what you can afford. Paying off purchases made with credit cards and the interest that accompanies them can sap the life—and cash—from a personal savings system.

• Resolved: I will create an emergency fund. This can come under the rule of “pay yourself first.” Start by saving 5 to 10 percent of your paycheck until you have a cushion of three to six months salary saved. If self discipline is an issue, ask your bank to automatically withdraw the amount you want and deposit it in a savings account.

• Resolved: I will open an Individual Retirement Account (IRA) and make the maximum contribution allowed. IRAs make it possible to accrue tax-deferred earnings on your retirement savings. Depending on the kind of IRA account you open, there may be additional benefits, which can add to your incentive to catch up on your retirement savings.

In addition, the federal government recently increased IRA contribution limits to \$4,000 or \$4,500 if you are age 50 or older.

• Resolved: I will start a college savings plan for my child. With the increases in college costs outpacing most annual raises, it's never too early to start a college savings plan. Consider the tax advantages offered by an Education Savings Account (ESA). This type of account can be a valuable ally in the battle against rising tuition costs.

• Resolved: I will create a will. Without a will it can be difficult to guarantee your family and dependents will be cared for in the manner you desire after you are gone. You will also need a durable power of attorney and a living will to ensure your wishes are carried out should you become terminally ill or critically injured in an accident.

The guidance of financial professionals can often be useful when making resolutions such as these. For example, the financial professionals at Primerica have created a guide that shows you how to take control of your financial life. To get a copy of “How Money Works,” write to Primerica, 3120 Breckenridge Blvd., Duluth, GA 30099, ATTN: Corporate Relations, call 770-564-6329 or visit www.primerica.com.

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