Reviewing And Reassessing Your Assets

(NAPSA)—The start of a new year—or any time—is a good time to review the various components in your financial plan.

Three Things To Think About

Here are three smart steps to consider:

1. Try to save 15 percent of your gross income, including any company match, in your retirement accounts. Contribute at least enough to receive any company match and increase your contributions by 2 percent each year, suggests Stuart Ritter, CFP, a senior financial planner with T. Rowe Price. Bear in mind, he says, that each year, the IRS updates the maximum amount you can contribute to your workplace retirement plan accounts. When you reach age 50, you're eligible to make additional "catch-up" contributions. Note, T. Rowe Price provides neither legal nor tax advice.

2. Remember, a lot can change in a year, including parts of your life that may impact your estate plan. Review your beneficiary designations, the titles on your accounts, and ownership of your assets to ensure your latest wishes are reflected.

3. Make sure your asset allocation is still on track for your goals and risk tolerance. Fluctuations in the market can shift your investment mix from its original target proportion, so you may need to rebalance your portfolio to maintain your intended allocation.

It may pay to review your financial assets and how they're allocated at least once a year.

"Checking in on your investment allocations annually helps you maintain a level of market risk that fits your personal situation and goals," adds Judith Ward, CFP, a senior financial planner with T. Rowe Price.

Trimming investments that have been doing well may seem counterintuitive but it's actually following the tried-and-true strategy of selling high and buying low. Most importantly, consistent rebalancing offers a way to be more disciplined and minimize the emotional aspects of investing.