

GOAL-SETTING

ideas

FOR 2020



with Marianne Johnston

AS 2019 winds down, you can take some steps to use 2020 for progressing toward achievement of your long-term financial goals. Every payday can bring you closer to the future financial security you envision for yourself and your family.

To begin, identify the targets for your focus next year, clarify the status of each area, and establish benchmarks to measure your progress on a monthly schedule. These categories might include some or all of these: Payroll Tax Withholding, Health Insurance, Disability Insurance, Life Insurance, Emergency Savings, 401(k) or Retirement Plans, Long Term Care Insurance, Debt Reduction, and Discretionary Savings. If this seems overwhelming, it may be effective to work on one area per month, or 2-3 areas per quarter, but the best way to get started is to set aside time over the holidays, to list your priorities.

Often, you will make your health insurance elections before the New Year. It may help to evaluate your choices in more detail this year, especially if there have been changes in your family situation, employer, or plan options available. If both partners are employed and have employer-sponsored health insurance, be sure that you understand the employer contribution provisions. It can be better for each partner to elect his or her employer's insurance, and then determine which plan works best for eligible dependent family members. Deductibles, co-payments, medication coverage, and provider networks will be factors in your analysis. Some employers offer Flexible Spending Accounts or Health Savings Accounts, which may also be advantageous.

Employers also might offer benefits for short- or long-term disability income, life insurance, long-term care, and/or retirement savings. Review the benefits offered, and be sure you understand both the scope and limits of coverage. Many times, people will need to obtain additional insurance coverage or retirement vehicles, besides those available in the workplace. For all of these benefits, it is critical that your beneficiary arrangements are kept up-to-date, so review the designations annually.

A common priority is systematic savings plans. By budgeting carefully and making spending choices that are consistent with your savings goals, strong progress can be achieved. Savings categories might include emergency savings, to cover unforeseen expenses that pop up, as well as discretionary savings. Lifestyle aims may drive these savings goals, depending on what you identify as your priorities. You may need a new car or have plans for a bigger home in the coming year. Maybe a vacation or trip is on your list, or home projects such as landscaping, upgrading appliances, replacing windows or siding, finish the basement, or a new air conditioner. Which of these is most important in the coming months? Do you have a good idea of the costs that will be involved?

Are there spending habits you can change, to achieve better results toward your goals? How often do you review and evaluate the status of your assets and liabilities? Do you have a trusted financial advisor? Should you consider meeting with an attorney about wills, trusts, or estate planning? Do you need or have an accountant for tax planning?

The best way to attain better financial security is to establish specific goals, and review your progress often. A new year is a great opportunity to improve your situation!

For more information, please contact your trusted advisor at Swartzbaugh-Farber, *Client Centered – Client Advocates™*.

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