

Year-End Checklist: Finances

Start the new year with a fresh mindset and strategy



A lot can change in a year, and you may be surprised how your new circumstances have impacted your finances. Since your financial wellness can affect many aspects of your life, it is crucial to review your strategy yearly (if not more often). Complete this checklist to start the new year off on the right foot and set yourself up to meet your financial goals.

- Assess your monthly budget.**
Inflation has caused households to allocate more funds toward essentials like groceries, hygiene products, and gas. Reassess your monthly earnings and determine your priorities for the new year to help you decide your ideal budget for fixed and variable expenses. When in doubt, overestimate.
- Check on your emergency fund.**
An unexpected repair or accident happens, and you may have had to dip into your emergency fund this year — that's why it's there! Now, it's time to plan how you will replenish your emergency fund going forward. Experts advise having three to six months of expenses saved in an easily accessible account.
- Evaluate the status of your debt.**
The end of the year can prompt time to set aside to review loan terms to ensure you are on track for repayment. You could also consolidate separate debts to potentially lower interest rates. If you have any surplus income at the end of the year or receive a bonus, consider putting that money toward your debt.
- Review your short- and long-term financial goals.**
Review your financial accomplishments and see if you are moving forward toward your goals. Congratulations to those who achieved any short- or long-term goals this year! Now, it's time to evaluate and set new targets. Are there any large purchases in the coming year or years that you need to save for?
- Calculate any remaining employee benefits.**
You've earned your employee benefits — make sure you use them! Don't forget to spend what's left in your flexible spending account (FSA). The money you don't spend may not roll over. If your company has a 401(k) match, be sure you contribute enough funds to receive the full benefit offered.
- Reconsider your asset allocation.**
Are you nearing retirement? It may be time to consider adjusting to a more conservative investing approach. If you are nowhere near retirement, make sure your investing portfolio reflects your timeline. Take a few minutes to reevaluate your risk tolerance and alter your investments accordingly.
- Look at your existing insurance policy.**
The end of the year is a good time to shop around different insurance providers to make sure you are getting the best deal. Look at your existing coverage to see if anything needs to be changed or added in your policy. Additionally, in all areas of your financial plan, remember to update your beneficiaries.