



Spring Cleaning Your Financial House

Five Commonly Neglected Areas

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Spring is in the air, which for many means waking up from hibernation and cleaning out the clutter. But don't forget about clearing the cobwebs from your "financial house," too! Even if you recently took a look at your finances as you prepared for tax season, there still may be some items that could use your attention. The following list highlights five commonly neglected areas.

1. Dust off your credit report and score

If you're planning to buy a home or make another major purchase, a good credit rating can be critical. Businesses also inspect your credit history when evaluating applications for insurance, employment, and even leases. With so much in the balance, it's important to review your credit report for accuracy at least annually. Plus, it's a good way to catch signs of identity theft.

Fortunately, checking your credit report is easy. You're entitled to one free annual report from each of the three major credit reporting agencies-Equifax, TransUnion, and Experian-which you can request at www.annualcreditreport.com. Be wary of sites that charge you for these reports. If you use a credit monitoring service, be sure to check the terms of service.

2. Revamp your emergency fund

If you don't have one already, starting an emergency fund should be on your spring cleaning to-do list. The size of your fund depends on your particular situation and

factors such as:

- Family size
- Current debt
- Insurance coverage

The standard is to set aside three months of expenses in case you or a family member encounters the unexpected, such as losing a job. Because it may take longer to find employment or to recover from a financial setback in the current economic environment, if you already have an emergency fund, you may want to increase your savings to six months of expenses.

By planning ahead, the smaller emergencies (e.g., replacing a broken hot water heater) can be easily covered. Remember, it's far better to have an emergency fund and never need it than to experience the reverse scenario.

3. Revisit credit cards

Review the terms and conditions of your credit cards to ensure that they're still in line with what you originally signed up for.

Also be aware that, in an effort to counter data breaches and fraud, U.S. card issuers are in the process of changing the way consumers make purchases with plastic. Instead of the familiar magnetic strip, new cards will be equipped with computer chips that provide unique identifiers for each transaction, making it nearly impossible for hackers to reuse your information on another purchase.

4. Go paperless

If your home office is overflowing with statements and receipts, switching to paperless transactions is a pretty simple way to streamline your life-and help the environment. Besides minimizing desktop clutter, online financial management may offer access to tools that help you become more efficient and organized.

- **Online banking.** Switching to electronic statements can conserve tons of paper and save you loads of time and trouble. You can track your balances in real time on your bank's website and transfer funds from your desktop. At work, direct deposit of your paycheck not only saves paper but also cuts down on trips to the bank. It's easy to set up with your employer, and checks generally clear faster.
- **Electronic bill payment.** You can arrange online payments with your bank or through various service providers. Bills from public utilities and mortgage and credit card companies often highlight the availability of this option.
- **E-delivery of investment statements.** We encourage you to sign up for electronic delivery of your account statements and trade confirmations. Going paperless is a simple, secure, and eco-friendly way to receive your documents. Please contact Norine@Financialsecurityplanning.com or call her at 415-927-2555 to do so.

5. Do an overall financial review

Take the pulse of all your accounts regularly. This includes reviewing your insurance policies, annuity contracts, retirement plans, and educational savings accounts. Are you on track to achieve your goals? Do you need to make adjustments? Are your beneficiary designations up to date? Be sure to discuss any changes in your situation with us so that we can update your financial plan accordingly.

Although these financial spring cleaning to-dos may take a few hours, checking them off your list will free you up to enjoy the season-and ultimately save you time throughout the year.

My staff and I deeply appreciate the continuing opportunity to work with you. Please let me know if you have any questions or requests. Thank you.

Sincerely,

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