

7 financial resolutions to get you started in 2021

1. **Make a spending plan.** You might not know where your money is going until you track your expenses. You might be surprised how much you spend on various items. You may also find ways to reduce some expenditures. What new habits have we learned in 2020 that we can carry over into the new year?
2. **Establish an emergency fund.** Nearly 30% of Americans have little to no savings for an emergency. If you received the stimulus, start with the stimulus money Congress gifted you and gradually save until you have at least three months you can set aside in the event of an emergency. Six months is optimal!
3. **Start to increase saving for retirement.** One easy way is to sign up for automatic drafts into your 401k, IRA & investment account. Do you want to save 10% or more of your income? If it seems out of reach start with baby steps - two or three percent of income will be your starting point. Then double it in April and increase it by the same amount in July, continuing every three months until you hit your goal. That's how I began socking funds away for retirement.
4. **Pay down and pay off debt.** Put away your credit cards until they are paid off. Pay more than the minimum balance and focus on high-cost debt first. When one debt is paid off, put that payment towards your next. You'll be surprised at the snowball effect.

Remember to **reward yourself** with each debt paid off. Simple rewards are excellent incentives that keep you on track to the top of your summit.

5. **Keep debt reasonable.** If you have all your credit card, student and auto loans paid off, you are ahead of the game. But just because you can borrow doesn't mean you should. Solid payment percentages include keeping your home payment below 28% and your total debt payments below 35% (including credit card, mortgage, auto, and student loan payments)
6. **Contribute to a cause near and dear to your heart.** Charitable giving isn't just money. You may choose to volunteer your time, instead of or in addition to charitable giving. Even a few dollars each month means you will be making a difference for your favorite charity. If you don't have one, come join me at Food for Thought!
7. **Get your affairs in order.** Finish setting up (or review) wills, living wills, trusts and powers of attorney to reflect your preferences and people. Be sure to update your beneficiaries and insurance needs (Life, Income, Long Term Care, Home, Auto etc).

The seven resolutions are simply guidelines for your financial organization and security. Pick one a month to check off the list and finish 2021 with financial confidence.

As I always remind you, I am here to assist you, encourage you and guide you in your most meaningful direction. If you have questions, I am no further away than a phone call or an email.

I am looking forward to your success in 2021!

Emily Patton is a Registered Representative of and offering securities, investment advisory, and financial planning services through United Planners Financial Services, member FINRA, SIPC

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