



It's Time for a Financial Checkup

It's always a good time to check up on your finances to see how things are going. If you don't do it throughout the year, one of the best times to do your financial checkup is at the beginning of the year. Here are some tips to take stock of your personal financial situation.

Get a handle on credit cards

Did you charge more than you expected over the holidays -- and now you're facing a mound of bills? Put yourself on a credit diet until your bills are under control.

- Pay down the cards with the highest interest rate first
- Make more than the minimum monthly payments
- Use cash for new purchases
- Pay your bills when you receive them, not when they are due
- Don't accept offers from creditors to "skip" payments

Calculate your net worth

It can be painful adding up your debts, and it's even tougher subtracting that debt from your assets. But once you have that number, it will help you set financial goals.

Adjust your wage withholding

Your tax situation changes when your salary, investment income, filing status and other financial factors change. Get ready by asking your employer for a new W-4 and by using the work sheet to figure out how much tax should be withheld from your paycheck.

Decide why you're saving

Jot down your savings goals. Check your retirement plan. Are you where you expected to be?

Mix it up

When was the last time you looked at your mix of investments? To determine your mix, or asset allocation, tally separate totals for your holdings of stocks, bonds and cash, and divide each by the total value of the portfolio. If you haven't looked lately, you might be surprised at the mix. You might find the mix of your portfolio has shifted with the tide of the market. Are you comfortable with the current mix?

Organize your tax information

Compile and verify records. It's up to you, not the tax preparer, to check W2s and 1099s for accuracy and to have errors corrected. As documents arrive, stick them in a folder. All your paperwork should be in one place.