

New Year's Financial Resolutions

Now that we've reached 2024, you might be thinking about your goals and hopes for the new year. But in addition to whatever personal resolutions you might make — volunteering, going to the gym more, learning a new language and others — why not make some *financial* resolutions, too?

Here are a few to consider:

- **Boost your retirement savings.** If you can afford it, try to increase your contributions to your IRA and 401(k) or similar employer-sponsored retirement plan. The more you put away in these accounts, the greater your chances of reaching your retirement goals. At a minimum, contribute enough to your 401(k) to earn your employer's match, if one is offered. And whenever your salary goes up, consider raising the amount you put in to your 401(k).

- **Reduce your debts.** It's not always easy to reduce your debts — but it's worth the effort. The lower your debt load, the greater your monthly cash flow. So, look for ways to consolidate debts or find other, possibly more productive, ways of using credit. And if you truly can't afford something that's nonessential, don't go into debt for it. "Live within your means" is an old piece of advice, but it's just as valid now as ever.

- **Build an emergency fund.** If you suddenly needed a major home or car repair, or received a large medical bill not fully covered by insurance, would you have the funds available? If not, you might be forced to dip into your retirement accounts or other long-term investments. To avoid this possibility, try to build an emergency fund containing several months' worth of living expenses, with the money kept in a liquid, low-risk account that's separate from the ones you use to meet your daily expenses. It can take a while to build such

a fund, but if you make it a priority and contribute regular amounts each month, you can make good progress.

- **Avoid emotional decisions.** Too many people overreact to events in the financial markets because they let their emotions get the better of them. If the market is temporarily down, it doesn't mean you need to sell investments to "cut your losses" — especially if these investments still have good fundamentals and are still appropriate for your portfolio. It can be hard to ignore market volatility, but you'll be better off if you focus on the long term and continue following an investment strategy that's designed to meet your needs.

- **Review your goals.** Over time, your goals may have changed. For example, while you once might have wanted to retire early, and planned for it, you may now find that you'd like to work a few more years. If that's the case, you may also need to adjust your financial and investment strategies.

- **Revisit your estate plans.** If you've married, divorced, remarried or added children to your family within the past few years, you may need to review the account titling and beneficiary designations on your 401(k) and other retirement assets, along with your estate-planning documents, such as your will or living trust. You might also need to revise these documents in other ways.

Of course, you may not be able to tackle all these resolutions at one time, but if you can work at them throughout the year, you can potentially brighten your financial outlook in 2024 — and beyond.

This article was written by Edward Jones for use by your local Edward Jones Financial Advisor.

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