

YOUR MONEY AND YOUR LIFE

The New Year is the season for a thorough life assessment, and according to Susanna Stuart, it is also the time to put your finances under the microscope

How was 2005 for you? For me last year was an exciting improvement over 2004, after I took the leap into self-employment. Because of my changed circumstances, I had to attend to many aspects of my financial situation. The business side of things has just about been sorted out, but there are still vital personal issues to address now that I am exposed to more business risk than I was as a salary-earner.

When it comes to personal finances, every leap should be accompanied by some kind of review. The New Year is a good time to focus on these issues because we are usually more open to new possibilities and aspirations. We have time to think and ponder the three big Fs of the festive season: Family, Fitness and Finance.

I can't help you ring your grandmother or lose those love handles, but here is a checklist of things that you might consider if you want to get your personal finances in order.

*** update your will**

Appoint guardians if you have children. Decide on who will be the executor and trustee. If your business or relationship affairs have become a little more complicated over the last year, make sure you appoint a savvy person for the role.

*** review insurance policies**

One of the perks I had as an employee was the life and income protection insurance that was provided by my employer. Now that I am self employed, I have to review all



my insurances and make sure they are up-to-date and relevant. When is the last time you looked at your policies?

*** assess expenditure**

Starting a business has meant a drop in income for me, although this is temporary while the business grows. Whatever your circumstances, you need to work out your actual needs and your budget

to see if the problem is a shortage of income or really just a case of overspending on less important things.

*** protection of assets**

Being in a business involves risk and although the risk is low, I still want to ensure that our home is protected by putting it into a trust. This forms one of my resolutions for 2006. I suggest you review your family situation and whether a family trust is appropriate.

*** future proofing**

Revisit your retirement plan. Mine needs tweaking to account for my change in circumstances.

New Year planning isn't just about the long-range financial picture. If you have loaded up your credit card over the Christmas period you should resolve to pay it off as soon as you can; and while you're at it, you might want to make steps to pay off any expensive debt first, or increase the amount going into debt repayment.

Whatever you undertake in 2006, make sure you stretch your dollar to include some fun. It's all about balance. **■**

goal saver

Sticking to your New Year resolutions is tough but here are some tips:

- * Always write down your goals and break them down into baby steps.
- * Cast an eagle eye over your expenses. Resolve to spend less than you earn and pay off any expensive debt first.
- * Do a spring clean. Get rid of redundant bank accounts, update your insurances and sort and file paperwork for tax.
- * Get the right people to help you. A good lawyer, accountant or financial adviser can take some of the load and share good ideas.

