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Weather-proof your personal finances with Finance Editor Susanna Stuart's 10 resolutions for a money-smart New Year

AT LAST WE CAN put 2008 behind us. The year was a shocker for investors, especially those who put their trust in the finance sector and those who invested with companies that loaned money to property development wheelers and dealers.

The year was a reminder that the best investments are those dealing in companies that make things to sell. Rain or shine, we still buy food; rain or shine, businesses still buy computers. Such companies survived 2008 and will bounce back. Compare that to the finance companies that simply vanished when the bubble burst – 28 in New Zealand at the time of writing.

The effects of the financial meltdown will be felt for some years, so it's a good moment to stop, reconsider your financial position and maybe adopt my 10 resolutions for more sustainable personal finances.

1 Adopt two timeframes. Write down what you'd like to achieve in 2009. Set a timeframe and establish how much these things will cost. At the same time write down your five-year goals. What do you need to give up today to achieve the objectives for 2014?

2 Deal with debt. If you have debt get rid of it, or least reduce it. What you make on your savings or investments is unlikely to be higher than the interest you pay on your mortgage. Rather than invest, you're better off re-paying any debt as this is a no-risk strategy. If you have your own credit crisis, deal to it immediately – get help if needed.

3 Simplify your spending. We're all complaining about rising living costs and there's risk of more inflation in the near future. So review where you spend your money and look to eliminate wastage. Got a gym membership you're not using? Frittering away your pay packet? Do a budget and stick to it. Do the granny trick and write shopping lists. Stick to these too. Use automatic payments or direct debit to help you keep on track.

4 Get real. Build self-sufficiency and control into your life. Grow your own veges. Invest in your health. Entertain at home instead of spending money going out. Spend time with the kids.

5 Be prepared. Set up an emergency fund in an online savings account. A rough guide is two to three months of your living expenses. This buys you time; for example, if you lose your job you can keep paying all the important expenses. Work out the amount needed and start saving towards it over a period of one to two years.

6 Review your investment strategy. Is it meeting your needs and goals? Sell out of poor investments. Take advantage of the downturn to pick up quality assets that were too expensive not long ago.

7 Get the children in your life started on good money habits. One strategy is to top up their savings when they set – and reach – a goal. For older children – students perhaps – encourage a debt-free approach.

8 It's important to manage your financial paperwork. File important documents in a safe place – your will, insurance policies, passport. In case of emergency you'll need to grab these. Store in a safe place copies of your credit card and bank account details in case your purse is lost or stolen.

9 Protect your family. Update your insurances and your will to reflect your current circumstances.

10 Educate yourself. You are your own greatest asset and it pays to invest in your financial skills. If you are seeking advice, look for professionals who sell advice rather than products. Those 'get-rich-quick' people were responsible for a lot of hurt last year.

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