



Stay on Track: 10 Tips for Midyear Financial Planning

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Welcome Summer!



Although we all have the best intentions when we set financial goals each January, a lot can happen in 12 months to cause you to veer off course. Nobody wants to arrive at the end of the year and encounter a financial mess. One great way to keep yourself on a steady path to meeting your goals is to do a midyear check so you can make any necessary adjustments before things get out of hand. Use these 10 guidelines to ensure that your spending and investing are on track—and to avoid any surprises come December.

Look over your budget. This is the most basic step you can take to keep yourself on a path to financial health. Look at your spending through the middle of the year and determine whether you're right where you want to be, you need to cut back, or you have extra funds to spend on holiday gifts. Dozens of budgeting tools are out there to assist you in tracking your budget. Many have a digital platform where you can connect your accounts and track expenses. This pulse check provides an easy way to steer yourself back if you've strayed from your budget. And, if you haven't set a budget, this could be a good time to draft one and establish goals.

Reconsider your retirement contributions. Did you receive a raise during the first half of this year? If you're not maximizing your contributions to your 401(k), 403(b), IRA, or other retirement plan, and you have additional funds from your increased salary or bonus that allow you to contribute more, it may be worth considering a bump in your retirement allocation.

Assess tax withholdings. It's a good idea to check your tax withholdings midyear, especially if you've had major life events such as a job change or significant pay increases. The IRS has many tools that can assist in determining whether your tax withholdings are appropriate.



Rebalance your investment portfolio. The volatility at the beginning of 2022 may have caused your investments to drift away from your strategy. This is a great time to look at your retirement plans and taxable accounts, rebalancing your portfolios to better align with your goals.

Adjust insurance policies, if necessary. Have you had changes in your life that would warrant additional insurance? If you haven't gotten around to adding insurance or increasing existing policies to account for marriage, having children, starting a business, buying a house, or other life events, use this midyear check to reevaluate your insurance needs.

Take stock of employee benefits. Be sure that you know when open enrollment for benefits occurs at your company and determine whether you need to make changes to your plans. This is also a good time to check on your FSA and HSA funds, submit receipts, and plan for how to use the remaining balance so you don't lose that money.

Review your credit report. You're legally entitled to a free copy of your credit report every 12 months from each of the three national credit bureaus (Equifax, Experian, and TransUnion). Take advantage of that opportunity to check for fraud or mistakes so you can remedy any issues as quickly as possible.

Check your emergency fund. Unexpected expenses do come up, and it's prudent to have an emergency fund on standby to meet them. Without this money tucked away, you may have to take cash meant for other expenses or goals, or even accrue credit card debt to pay for expenses. Most experts agree that you should have three to six months of expenses in an emergency fund. Midyear is a great time to take stock of whether you've sufficiently saved for unexpected costs. If you're running a surplus on your budget, it makes good financial sense to use this surplus to ensure that your emergency fund is in good shape.

Be sure that your estate documents reflect your wishes. You likely won't need to revise your will, trust, living will, or other estate documents, but it's a good idea to

review them annually and make sure that they still align with your desires. If you've experienced major life events such as marriage, divorce, or birth of a child, you may want to speak with an estate planning attorney to ensure that your documents are in good order and meet your current needs.

Set financial goals for the rest of the year. Take stock of where you started and where you are midway through the year. Six months is plenty of time for situations to change and goals to shift. If nothing has changed, ensure that you are staying on track with your initial objectives. If major changes have happened in your life, you may want to reassess your financial goals for the remainder of the year.

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My staff and I deeply appreciate the continuing opportunity to work with you. Please let me know if you have any questions or requests. Thank you.

Sincerely,

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