

What financial resolutions are you recommending for 2010?

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I recommend people resolve to:

» Remember the economic events of 2008-09.

They've taught us to be prepared, as life changes instantly and unexpectedly. Investors should assess every asset, loan, policy and benefit and prepare a balance sheet, income statement and budget.

» Spend according to priorities by writing them down in order and comparing to 2009 expenses. Ask "Did we spend to our priorities or lose sight of them?" Investors also should vow to get rid of consumer debt, learn debt-reduction strategies and stop buying on credit. After doing so, they can build cash reserves of at least six months of expenses and prepare for the future.

» Think about the long haul. Build a diversified portfolio aligned with risk tolerance and time horizon. Emotional investing and market timing never work consistently. Ask if your estate plan is in place and if your net worth is ample to provide for loved ones when something happens to your job or health or you die. Consider insurance if it isn't.

» Understand and plan for taxes. Prepare an estimate in November and adjust by year's-end — for January is too late! And be ready for higher taxes and inflation, as we have to pay for the trillions in government spending.

» Lastly, resolve to get things done! If lack of time, aptitude or desire gets in the way, work with a financial professional.

★ Fredrikson is a certified financial planner.

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