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## TIME TO PLAN FOR 2016 MONEY MATTERS

Adam Shell USA TODAY | October 28, 2015

**Halloween is Saturday, Thanksgiving is right around the corner and the hectic holiday season is coming soon, so there's no better time to get your money matters in order and nail down a 2016 game plan. Money stuff you need to address includes your investment portfolio, debt load, retirement savings and insurance needs.**



**1. Do a risk tolerance profile.** Were you a basket case when the stock market cratered this summer, suffering its first 10%-plus drop in four years? If so, your portfolio might be too risky for you. The fix: "Perform a personal stress test to determine if you can stomach, say, a 25% loss in your portfolio," says Chris McMahon, president and CEO of Pittsburgh-based McMahon Financial Advisors.

**2. Rebalance your portfolio.** Now's the time to make sure you have the proper helpings of stocks and other financial assets, says Nancy Coutu, co-founder of Money Managers Financial Group, a financial planning firm based in Oak Brook, Ill. The fix: "Rebalance and get back to your allocation," Coutu says.

**3. Conduct a debt inventory.** Map out a plan to pay down debt. The fix: "Develop a debt elimination strategy," McMahon says.

**4. Bolster retirement savings.** Nurture your nest egg, Coutu advises. The fix: Take advantage of a Roth individual retirement account, she says. Roth IRAs, while funded with post-tax income, don't tax gains.

Coutu's recommendation: Fund your 401(k) first but only up to the amount needed to get all of your company's match. Next, fund your Roth IRA. If any funds are still available to save, direct those dollars into your 401(k), which is funded with pre-tax income but is subject to taxes on gains.

**5. Grade your kid's college fund.** If your kid is within a year or two of college and the 529 college investment plan is 100% in stocks, a market downturn could erase savings. The fix: If the 529 plan is too stock-heavy, shift to more cash and bonds.

**"Financial housekeeping and planning now can be the difference between having a successful retirement or not."**

**Chris McMahon**