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Financial Matters

**SPECIALIZING IN FINANCIAL MANAGEMENT AND INVESTMENT PLANNING
FOR INVESTORS WINTER 2008**

“Plans are worthless, but Planning is everything.”

Nifty New Year's Resolutions

Personal finances can sometimes be a bit of a challenge. For instance, according to a financial fitness survey by In2M Corporation in 2004, nearly 90% of survey respondents are moderately to very concerned about their ability to meet future financial obligations for major items. And 63% of respondents said their financial situation was about the same or worse when compared to last year.

No matter how you rate your finances, there are always ways to help improve your fiscal bottom line. Here are nine practical and relatively easy goals that you can set for yourself to follow that may help your long-term financial situation.

1. **Spend less than you make.** Spending less than you make on a consistent basis is the key to reaching financial fitness and stability.
2. **Save more.** Pull 10% of your income before any other thing is done. Pay yourself first. This 10% can include your 401(k) account if you have one, but be sure you're optimizing that option.
3. **Calculate your net worth.** This should be increasing each year, even if by a small amount.
4. **Set aside money for an emergency fund.** If you don't believe in an emergency fund, try talking to the evacuees of hurricanes Katrina and Rita.
5. **Reduce your debt.** Make a list of all your creditors and prioritize them in order of interest rate (highest to lowest). Once the first debt is paid off, roll the payment amount into your next debt until all have been satisfied.

6. **Use credit cards wisely.** If you use a credit card, do so only when you know that you already have the funds set aside to pay the balance completely when it arrives.
7. **Get adequate insurance.** Home, life, disability, health, property and auto, just to name a few. Not too many other things matter when your house is burning to the ground or your car is involved in an accident.
8. **Create an estate plan and/or will.** No matter what your status, you need to have the proper documents in order to make your wishes known.
9. **Manage your portfolio.** Make sure you're on track to achieve your long-term financial goals.

I hope this information serves as a catalyst to get you on track for 2008.

Pedal to the Metal

Put the pedal to the metal. What does this phrase mean to you? For some, the meaning is literal: *to press the throttle all the way to the floor.* For others, the meaning may be more metaphorical: *to hurry.* Financially speaking, here's what it should mean for you: *now is the time to focus more heavily on your retirement account than ever before—to really maximize your contributions in order to ensure a secure and wealthy retirement.*

As I'm sure you will agree, retirement is definitely one event at which you would prefer to arrive ***overdressed*** and not ***underdressed.***

Whatever you are currently contributing to your retirement account, now is the time to ask yourself: *could my money be working harder for me?* One mistake people make prior to their retirement years, is to fall into a track of complacency regarding the amount of money they have been putting aside for their golden years—assuming a *'that's good enough'* attitude. The reasons are many, but the solution is always the same—to plan ahead, to put the ***pedal to the metal*** now so you do not find yourself short when the real need arises.

If you have any questions about these topics or your own financial fitness, please feel free to contact me or my assistant Susan Barrett at 732-224-9900.

Have a great 2008 and avoid:

Procrastination