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A Year's Worth of Financial Planning

Best wishes for a happy, prosperous and healthy New Year!

Did your resolutions include "getting your financial house in order"? If so, you may find the following timetable helpful in pacing yourself.

January

Start either 1) a Savings Plan to accumulate 3-6 months of after-tax income for potential emergency uses, or 2) an Asset Allocation Strategy to invest the excess if you have accumulated the necessary cash cushion.

February

Acquire enough Life Insurance for personal purposes. Experts suggest coverage equal to six times your annual earned income as a general rule of thumb.

March

Create a current and valid Will specifying your wishes for distribution and management of your personal belongings, business and financial assets.

April

Add a Durable Power of Attorney giving someone the legal responsibility to make financial and or health care decisions for you when you become unable to do so for yourself. If done, are the parties you selected for this role still available and appropriate choices?

May

Specify the medical procedures or actions that you would like to be taken or withheld in the event of medically debilitating condition through a Living Will.

June

Consider becoming an Organ Donor and carry your card in your wallet in the event of an accidental death.

July

Secure a safe deposit box or fire-proof box to hold valuables and special papers. Make sure your heirs or executor knows where important things are kept.

August

Create a list of E-mail addresses, computer IDs and passwords, credit card numbers and the like to store in your safe.

September

Add another list containing pre-authorized payments and other monthly or quarterly debit transactions that occur in bank accounts or brokerage accounts.

October

Obtain a Long Term Care insurance policy tailored to the costs of care in your region. Make sure it has inflation protection.

November

Optimize your retirement plan based on your IRAs, 401(k)s, SEPs, or other tax-qualified savings programs.

December

Contribute to section 529 College Saving program to accumulate the funds to provide education for children in your family.

Take it a step at a time and think how good it will feel as you check off each item you review throughout the year. *"If we wait for the moment when everything, absolutely everything, is ready we shall never begin."* Ivan Turgenev

If you find yourself hesitating or being overwhelmed by any of these steps, consider calling in a little help from a friendly financial advisor with excellent professional credentials.

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* "A Year's Worth of Financial Planning" was adapted by Sandra Heusinkveld from Bob LeClair's "12 Days of Christmas Planning" first published by Leimberg Information Services on December 13, 2003.

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Future Finances' Market Update

By Max Larsen

Monday, January 3, 2004

First, I want to wish everyone a HAPPY, HEALTHY AND PROSPEROUS NEW YEAR! It's going to be difficult remembering to write "05" instead of "04".

The closing bell tolled quietly for 2004 with very light volume as many traders and money managers took the week off. The U.S. dollar continued to make yet another new multi-year low, stocks stayed flat and oil took another nose-dive. For the year (*The Wall Street Journal*) the indices closed with gains of 3.1% in the Dow, 8.6% in the NASDAQ and 9.0% in the S&P 500.

All in all the 2004 market ended strong - no question about it. The favorable seasonal period I have been mentioning is in full swing, and stocks did what they were supposed to do in December - rise. It will be interesting to see how long this latest rally continues. The technical indicators I follow remain bullish. Volume (not including the holiday) is excellent and sentiment or confidence is strong.

I do believe the trend of this market is up in the near term. But, the risk is getting higher. You'll be able to read all about my 2005 outlook shortly but my number one concern today (other than the U.S. dollar) is the Fed. As quoted in *The Wall Street Journal*: "When the Federal Reserve gets started on one of its interest-rate-raising campaigns, it can be curtains for a bull market."

So, take advantage of this strong economy and stock market while it lasts. But, it is important to start looking at alternate strategies that can potentially protect one's gains and look to those sectors that may still have upwards potential.

That is all for today my friends. Once again, to all of you - my warmest wishes for a prosperous 2005!

Thanks to friends like you who refer new business to us, our practice continues to grow.

As always, your comments and reactions are welcome. Please feel free to share this newsletter with others you think may find it interesting or useful. We respect your privacy and will not share your address with others. Click [here](#) to send a comment, to subscribe, or unsubscribe.

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