

This is MONEY

A daily guide to your Personal Finance

- Savings
- Travel
- Debt & Borrowing
- Utilities
- Managing your Tax

Money Matters
with Nimi...

Money matters and new year resolutions



A new year brings with it a sense of renewal and the age-old tradition of new-year resolutions helps you to focus on making positive changes in various aspects of your life. Many people make new-year resolutions to exercise regularly and maintain a healthier lifestyle, to be more prayerful, to be a better mother, father, sister or friend; they are often already abandoned before the end of January!

One resolution that is often ignored is to put your personal finances on the front burner. Try to initiate a few of these financial new-year resolutions in 2018; limit yourself to about three or four so that you don't get overwhelmed and you can actually build on them.

An annual review is necessary because finances are dynamic; needs and goals change, family situations change, jobs change, incomes increase, children are born, others are off to college. Do you have a clear picture of where you stand financially? Start by gathering and organizing your paperwork: bank statements, investment certificates, insurance policies, title deeds, your will, and other financial documents.

What is your net worth?

To determine your net worth, list and add up all your assets, that is, what you own including cash, mutual funds, savings and investment accounts, valuable personal possessions and the value of your home and subtract your liabilities or what you owe, such as your mortgage, car loans and other debt.

If your debts exceed your assets, do not despair; that is the purpose of the exercise; you need to make adjustments. Keeping track of your net worth is a good indicator of how effectively you are managing your money over time.

Have you set financial goals?

Have you set short, medium and long-term financial goals? Are they still appropriate for your current situation? Your short-term financial goals could include saving for a car, or a vacation whilst medium and long-term goals might be making a down payment on a new home in three years, or planning for retirement in 10 years. If you are planning a family or have very young children, an education fund to cover college or university fees should be a priority. Setting clear goals brings you closer to achieving them.

Don't ignore your debt

Your debt needs attention. Getting out of debt is another key step to taking control of your finances. List all your debt, and prioritize by focusing on the most expensive debt with the highest interest rates first. Having your debt under control gives you more freedom to do other things. It will take some sacrifice, but it is well worth the effort.

Budgeting works

Create a budget. Once you know what you owe, a budget will help you deal with your debt systematically. Budgeting is one of the most important tools for financial security and planning could mean

the difference between achieving financial freedom and experiencing financial failure. A good budget will help you to plan and monitor your expenses, so you can identify where your money goes and where to cut back if necessary. Create a budget, and more importantly, try to stick to it.

Invest in knowledge

Improve your knowledge of money matters through books, magazines, newspapers, seminars, and by seeking professional advice. Whether your interest is in learning how to manage your money, how to get out of debt or how to plan for your children's education, there is a plethora of information that will guide you and put you in control of your finances, bringing you closer to financial security.

You need savings

If you don't already have an emergency fund, think seriously about building one. Try to have at least three to six months' worth of living expenses in a safe, accessible, interest bearing money market account. If you are suddenly faced with unexpected job loss, major car repairs, or medical expenses, you will be better prepared to cope if you have this financial

cushion to fall back on.

Saving is critical to financial success. Try to develop a strict habit of setting aside a minimum of ten percent of your income each month for savings or investment purposes. You will be surprised to discover that over time, even small amounts add up. Don't wait until all your other commitments have been met; pay yourself first by automating your savings. Put a direct debit in place so that you won't be tempted to spend all your income.

Invest for the future

Make it a priority in 2018 to invest for the future. Don't ignore the stock market; in spite of inevitable market volatility, continue to invest in the stock market particularly where you have a long timeframe, such as for your children's education or for your retirement. However, do pay attention to your asset allocation and ensure that you are well diversified across the primary asset classes including cash, bonds, stocks, real estate and other interesting business opportunities.

Can you afford to retire?

Is your retirement nest egg growing? Every single year counts; Most of your retirement income will have to come from the money you set aside and invest today. If you haven't done so already, open a retirement savings account and in addition, start to build an investment portfolio.

Do you have an estate plan?

I know it sounds like a morbid way to start the New Year, but do you have a will or a living trust? Putting your last wishes down in writing should be a top priority, particularly if you have dependants. Knowing your children will be cared and provided for should anything happen to you, will give you a huge sense of relief. If you already have a will, it is a good time to review and

update it to make sure you have included any recently acquired assets or new beneficiaries.

Build giving into your 2018 financial plan

Giving is a powerful and effective way to change people's lives for the better whilst at the same time giving you financial freedom. Determine a cause, initiative, or charity that you would like to be involved with and identify ways in which you can make an impact.

Remember...it's not all about money

Just one last bit of advice: In all these money matters, do remember that the best and most fulfilling things in life have nothing to do with money. Remember to count your blessings, not just your money! May God grant you good health, happiness, wisdom, security and peace in abundance in the year 2018 and beyond.

From all of us at Money Matters with Nimi...HAPPY NEW YEAR!

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