

Information from Alliance Credit Union and CFS* to help keep your financial life in balance

Consumer Sense

Spring Cleaning

Spring is in the air. For many, this means that it's time for the annual house cleaning ritual but springtime doesn't just have to be about sprucing up your home. Now is a great time to get your investment house in order as well. This time of year presents a great opportunity to formulate new goals, and to follow a few simple steps in pursuit of financial confidence. Make it a priority to: consolidate your accounts, take advantage of tax-savings programs offered by your employer, rebalance your portfolio and review your list of beneficiaries.

Consolidate Your Accounts

Consolidating multiple retirement accounts into one or two may offer several benefits, such as convenience, and fewer fees. Moving money to one or two financial services providers may help to make it easier to proactively manage your portfolio. Another benefit of consolidation is the possibility of uncovering old accounts. Often older accounts are left unattended, even though they may contain investments that are no longer appropriate.

Rebalancing Your Portfolio

As defined by the U.S. Securities Exchange Commission (SEC), "rebalancing" is the process of bringing your portfolio back to its original asset allocation mix. Over time, the value of individual holdings in what was originally a well-balanced portfolio will ebb and flow as the markets rise and fall. At some point, your portfolio may no longer reflect your intended objectives and risk tolerance. If this occurs, sales and purchases may be needed to rebalance your portfolio.

Individual Retirement Plans or IRA

If you're feeling the sting of unexpected taxes due, now is a great time to take steps to ease next year's burden. While the sting is still fresh in your mind, consider investing in a tax advantaged account, such as an Individual Retirement Account (IRA) or 401(k) plan. Even if you're already contributing to an employer-sponsored plan, you may be eligible

to deduct all or a portion of your IRA contributions depending on your adjusted gross income.

Beneficiary Designation

One critical piece of planning includes making sure you are properly set to transfer your retirement assets to your intended beneficiaries. Changes in your family situation, which may include a marriage, divorce or birth of a child, make the review of your beneficiary designations a necessity. Conducting a periodic beneficiary review may give you the peace of mind that comes from knowing that assets will go to your intended loved ones.

Consult a Financial Professional

As you prepare to review where you stand regarding your progress, it may be helpful to consult with a professional who can aid in making those informed decisions.

Source: <http://www.sec.gov/>

Have You Read...

Morningstar's 30-Minute Money Solutions: A Step-by-Step Guide to Managing Your Finances by *Christine Benz*. This book gives you the tools for tackling your money challenges. This practical guide breaks down important financial tasks into digestible, doable chunks—each task taking just 30 minutes or less.

Interested in Learning More?

We specialize in helping people maintain a healthy financial balance and discover smart money strategies. Call us to set an appointment to review your investment objectives, and to discuss any questions you might have. We look forward to speaking with you!

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Do you have a topic you'd like to see covered in future Wealth News newsletters? Email your questions and comments to us at: gphan@alliancecreditunion.org or dbarno@alliancecreditunion.org