

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

## Consumer Sense

### Regular Reviews

As a result of the recent market volatility affecting investment and retirement accounts, the need to review your overall financial health might be in order. Sound financial planning may help to keep you focused on your investment goals no matter what the economic climate.

To start, you might ask yourself what are your short-term and long-term goals? These might include items such as a vacation, minor home repairs, college funding, and retirement. Whatever your goals, write them down. This seemingly unnecessary step has the power to give you clarity about the results you wish to see. Here are some important items to cover in your review:

### Tax Deductions

Americans are generally living longer which could mean spending a longer time period in retirement. Social security benefits may not be enough to provide sufficient income to maintain your current lifestyle. Consider

investing in retirement investment vehicles such as Tax Advantaged Accounts. Individual retirement accounts or IRA's are accounts with tax advantages. If you are under 50 years of age at the end of 2009: The maximum annual contribution that can be made to a traditional or Roth IRA is the smaller of \$5,000 or the amount of your taxable compensation for 2009. The catch up provision is an added benefit for those ages 50 and older. If you are 50 years of age or older before 2010: The maximum annual contribution that can be made to a traditional or Roth IRA is the smaller of \$6,000 or the amount of your taxable compensation for 2009. According to the IRS, contributions you make to a traditional IRA may be fully or partially deductible, depending on your circumstances. \*For specific tax advice please consult a qualified tax professional.

### Life Insurance Need

Review your long-term care and life

insurance needs. Many financial experts consider life insurance to be a key component of a sound financial plan. It can offer the protection you need to help cover potential risks and liabilities. Life insurance may provide an income to let your heirs maintain their standard of living and cover everyday expenses such as bills, rent and mortgages.

### **Consult a financial professional:**

With all the investment and savings options available today, staying on track to reach your financial goals might seem like a daunting task. As you prepare to review where you stand on your "financial plan", it may be helpful to consult with a professional who can aid in making those informed decisions. A qualified financial professional can help ensure that your financial affairs are consistent with your current needs, risk tolerance and long-term goals.

Source: [www.irs.gov](http://www.irs.gov)

## Have You Read...

**Planning for Retirement:** *Live Long Live Rich: Creating Your Retirement Paycheck with Award Winning Retirement Planning* by H. Craig Rappaport. Live Long Live Rich is the first guide for people who want to know how to invest to create retirement income. Retirement is a new chapter in your life and should be a time free from worry.

### Interested in Learning More?

I specialize in helping people maintain a healthy financial balance and discover smart money strategies. Call me to set an appointment to review your investment objectives, and to discuss any questions you might have. I 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 me at: [luis@bscu.org](mailto:luis@bscu.org)

