CLARIDENCE WEALTH

Financial Foundations

SMART STRATEGIES. STRONGER FUTURES.

Timely insights and practical tips to help you build financial confidence and achieve your goals.



DECEMBER TOPIC

Year-End Financial Checkup
Five Moves to Start the New Year Strong
Reflect on the Year. Plan Your Next Step.



Steve Small, CKA, AIF, AAMS
Founder & Senior Wealth Advisor
RAMSEY SmartVestor

Year-End Financial Checkup: Five Moves to Start the New Year Strong

December is a natural time to pause and take stock. What improved this year? Where did money feel tight? A year-end checkup can turn those answers into a practical plan. Set aside 30 minutes, gather your account statements and take these five steps toward a stronger start.

1. Give your January budget a fresh start. Review recent bank statements and compare what you planned to spend with what actually happened. Notice one win and one habit to change. Then build a zero-based January budget: assign every dollar of take-home pay to spending, giving, saving or debt payments. Include annual bills and next year's holiday savings so predictable expenses have a place in your plan. [1]

REFLECT. RESET. MOVE FORWARD.

REVIEW
Know where you stand

RESET
Choose your next step

REPEAT
Check in every month

Small steps today. Stronger habits tomorrow.

2. Put your debt in order. Write down each non-mortgage debt, its balance and minimum payment. Following Ramsey's debt snowball, pay minimums on every debt and direct extra money to the smallest balance. When it is paid off, roll that payment into the next debt. Make any year-end bonus part of the plan before spending it. [2]

3. Check your emergency cushion. If you are getting started, Ramsey's first step is a $1,000 starter emergency fund. After paying off non-mortgage debt, build savings to cover three to six months of expenses. If a true emergency used some of your savings this year, make replenishing it a priority. Keep planned expenses in separate savings funds. [2]

4. Review your retirement progress. Look at what you contributed this year and confirm your current 401(k) payroll election. In Ramsey's Baby Steps, retirement investing follows paying off non-mortgage debt and fully funding emergency savings, with a goal of investing 15% of gross household income. If you are at that stage, review your employer match and plan a contribution level for January. Ask your plan administrator about available options and payroll timing. [2]

5. Protect the people behind your plan. Review the beneficiaries listed on your retirement accounts and life insurance, especially after marriage, divorce, a birth or a death. Confirm who is actually on file rather than relying on memory. Review insurance needs and organize important account and estate documents so your family knows where to find them. Put any needed updates on your calendar. [3]

You do not have to tackle every goal at once. Choose the next step that fits your situation, give it a deadline and check your progress each month.

Money Minute

Schedule your checkup before December ends. Write down one financial win, one change for January and one specific goal with a dollar amount and a deadline. If you share finances, make the plan together.

Helpful Resources

[1] Ramsey Solutions - Zero-Based Budgeting: What It Is and How to Use It
[2] Ramsey Solutions - The 7 Baby Steps
[3] FINRA - Keep the Harmony Alive: Discussing Money and Investing With Your Partner