

# INVESTOR UPDATE

We're sending you this newsletter to stay in touch with some of our thoughts and ideas. Let us know if you have any questions about information in this newsletter or if you want to discuss anything about your account.

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## Getting Ready for 2018?

*Here are some tips on making (and keeping) your financial resolutions.*

The New Year is almost here. Now is a good time to embrace the age old New Years' resolution... for your finances. If you're serious about examining your financial situation, here are four ideas to add to your list of things to do:

### 1. Stick to a budget

Did you know that only 41%<sup>1</sup> of U.S. households follow a budget? Are you one of them?

If you need to create a budget, make 2018 the year you do it. It's not that hard. You just need to list your monthly expenses, compare that with what you're spending to what's in your paycheck, and see what is left over for savings. Once you have a detailed budget written out, you can see where you may be paying too much and if there is any room to cut back and put toward saving or investing.

### 2. Be ready for emergencies

Everyone should have an emergency fund. Some may call it a rainy day fund, but the point is to have enough money to cover about three months of living expenses and six months of bills.

The reason: you never know when something unfortunate can happen, an accident, an illness, loss of employment or other circumstances that lead to unplanned expenses. Having a safety net is the best way to protect yourself.

### 3. Dig out of credit card debt

People carry way too much credit card debt – \$16,000 on average<sup>2</sup>.

If you make a commitment to pay off your credit card debt, you can save and reallocate your money. For example: Imagine you have a \$5,000 balance on a card charging 18% interest. If you pay that amount off over five years, it will cost you about \$7,600. However, if you manage pay it off by the end of 2018, it will cost just \$5,500 – a \$2,100 difference. You can find several better uses for that money, like investing or saving for a home upgrade or for your child's college.

### 4. Eliminate wasteful spending

One final item everyone can benefit from is to stop wasting money. Do you belong to a gym that you rarely went to in 2017? Do you have cable or streaming services with channels you don't watch? Well, when you have that budget completed, look for areas of needless spending and then promise to stop right now.

The New Year is a great time to address your financial well-being. Add financial resolutions to your list and hopefully, you'll be in better financial standing next year.

<sup>1</sup><https://stories.usbank.com/dam/possibilityindex/USBankPossibilityIndex.pdf>

<sup>2</sup><https://www.nerdwallet.com/blog/average-credit-card-debt-household/>



## How to **Keep** Your Financial Resolutions

» **Take things one step at a time**

Broad resolutions can end up feeling unattainable. However, keep in mind that you don't have to accomplish everything at once. In fact, a great way to accomplish big goals is to break them down into smaller steps. For example: You can make extra payments on your smallest loan. The result of paying it off can give you a psychological boost. You can then apply the payment amount of that loan to the loan with the next-lowest balance. With an even higher extra payment, you begin to pay that one off quickly as well.

» **Automate it**

For those of us who fall into the category of Baby Boomers (or older), making automatic bill payments can be scary or feel like there's no control over when or how money is withdrawn. But it can also help you budget. For example: You can have most of your bills automatically paid on a designated date – so you never miss a payment and are never late.

» **Talk to your Oppenheimer Financial Advisor**

Though you may think you're alone on your financial path, a lot of people would love a true partner to discuss these important decisions with. You can always talk with your Financial Advisor about actions you can be taking to help improve your financial outlook, and assist with keeping you on track.



Always bear in mind that your own resolution to **succeed** is more important than any other.

*Abraham Lincoln*