



## Four Steps to a Simpler Financial Life

For many Americans, financial life seems to be getting more and more complicated. Perhaps that's because more workers bear responsibility for their own retirement savings thanks to the proliferation of 401(k) and other plans. Or maybe it's because there's so much information and so many investment choices to sort through. Whatever the case, here are some suggestions that may help to simplify your financial life.

### 1. Start with a Plan

A little time spent planning now can benefit you later. First, determine short-term financial goals. Do you want to purchase a home in five years? Are your kids heading off to college soon? Is buying a car a top priority next year? Next, think about long-term goals, such as saving for retirement and, if your children are young, college expenses. Estimate how much money you'll need to meet each of these goals.

### 2. Build a Better Budget

Next, look at your current monthly net income and then set up a budget. Creating a budget allows you to see exactly where all your money goes and to determine where you can scale back. After making cuts, invest that money to help pursue your financial goals.

### 3. Invest Systematically

You can take time and guesswork out of investing with a systematic investing program. With mutual funds, for example, you can make arrangements to automatically invest a specific amount of money on a regular (e.g., monthly) basis, a strategy also known as dollar cost averaging.\* In addition to making investing easier, dollar cost averaging could potentially save you money. You'll buy more shares when prices are low and fewer shares when they're high. Over time, the average cost you pay for the shares may be less than the average price.

### 4. Rely on an Investment Professional

While the financial world is far more complex than it was just a few years ago, you don't have to go it alone. Think about tapping into your investment professional's expertise before making any major change in your investments. He or she can help you to evaluate how new tax rules and changing market conditions may affect your portfolio and, in turn, your financial goals.

*\*Dollar cost averaging involves regular, periodic investments in securities regardless of price levels. You should consider your financial ability to continue purchasing shares through periods of high and low prices. This plan does not assure a profit and does not protect against loss in declining markets.*

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