**5 Financial Steps to Start the New Year Right**

Are you completely satisfied with your financial situation? All of us think about how we could improve the way we save, spend or manage debt. The early months of the year are a great time to get a better handle on your finances, so why not resolve to make some important changes? The Massachusetts Society of CPAs outlines five great ways to do it.

1. **Get out of debt.** Make a list of all your outstanding balances and rank them based on the interest rate each one charges. When you pay them off, you’ll probably want to start with the one that has the highest rate. If you pick one to pay down, try to send in more than the minimum balance on any other outstanding credit card balances. At the same time, research credit card rates to see if you can move any balances to a card with lower interest. Where will you find the money to pay down debt? That’s where budgeting comes in.
2. **Make order out of chaos with a budget.** Do you always have money for the things you need? Or are you spending more than you earn and failing to achieve long-term financial goals? If you do have some money left over at the end of the month, do you feel you are putting it to the best use? If your current financial situation is a little chaotic or confusing, there is a solution. With a budget, you compare your monthly income with your monthly bills and expenditures and see what’s left (or how much you’re overspending). Budgeting helps you understand where you stand financially and makes it easier for you to make good financial decisions that will be beneficial now and in the future. As 2018 begins, making (or doing a better job of following) a budget should be a top agenda item. Among other things, it can help you find ways to reduce your spending and any remaining debt.
3. **Think long term.** Starting a retirement savings plan now will pay off in big benefits later. Research your savings options, including a company retirement plan or tax-advantaged traditional or Roth IRA. Your money can grow tax deferred over time and be waiting for you when you’re ready to start a financially secure retirement.
4. **Create a will.** Without a will, there’s no guarantee that your assets will go to the people you intend—and stay out of the hands of those you don’t. Your will also determines who will carry out your wishes as your executor and can establish who will take care of your minor children in the event of your death. In addition, use a living will to establish the kind of care you would like to receive at the end of your life if you’re unable to make your wishes known.
5. **Learn to speak the language.** It’s hard to make great financial decisions when a lot of the terms and phrases make no sense. Can’t tell a stock from a bond? Does your head swim when you start to read about mortgage options? That’s understandable, because financial concepts can be ridiculously complicated. If you spend just a few minutes a day reading up on financial information and advice, you’ll feel more confident in your knowledge and in your ability to make important financial decisions. [mscpaonline.org](http://www.mscpaonline.org/findacpa) is a great place to start.

**Your CPA Can Help**

This is a great time of year to discuss your financial concerns and goals with [your local CPA](http://www.mscpaonline.org/findacpa). He or she can offer customized advice on all your financial questions.