

Seven financial tips to help you enjoy life and reduce stress

Written by Lawrence Castillo Host of Safe Money and Income Radio
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“Use these tips to reduce stress and change your focus on life.”— Lawrence Castillo

1. Get serious about your retirement: If your employer matches contributions for your 401(k), you need to take advantage and max out your contribution. Your employer’s share is “house money,” which means using their contribution as part of your 401(k) plan as an employee benefit. Many 401(k) plans allow for conversion to a guaranteed retirement income, which can be used as a lifetime benefit. Ask your benefits manager to see if it is included in your plan.

You also need to plan at what age you would like to retire. If you have had a loss in investment returns in your 401(k), ask yourself how I can gain that back? Your asset allocation in your 401(k) can be changed as you get closer to retirement age. Most plans allow you to move the money as a rollover to a self-directed IRA, which provides the option of using an annuity with an “Income Rider” attached to provide desired guarantees.

If you have an IRA and are not contributing annually, start this year, contributions made before April can be deducted on the previous year’s income.

2. Even if you do not have a will, you do. You have two choices, either you decide what will happen to your estate OR your state of residence will decide for you after you pass away . If you don’t have a will, see an attorney and create one, and if you have a current will, make sure it is up to date.

3. Name an executor for your estate. Use caution in the selection and make sure you have asked the executor for permission to use them. Based on the valuation of your estate and your

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state of residence, the use of a trust can assist the executor in their responsibilities. Ask your attorney for ideas and help.

Never buy a trust from anyone other than an attorney licensed to practice law. Often life insurance is used to provide funds for any taxes or debts that may be due at your death. Have an insurance professional review the policies, and make sure the ownership and beneficiary decisions are up to date.

4. Create an emergency fund for situations that come up, such as a hole in your roof or an unplanned car repair. Only 40 percent of Americans could pay an unexpected \$1,000 expense, such as a car repair or emergency room visit, from savings. That figure is consistent with the range of 37 to 41 percent seen in surveys from 2014 through 2018. More than a third would need to borrow the money in some way – either with a credit card, personal loan, or from family or friends.

Another 14 percent would reduce spending on other things, while 10 percent would either figure out “something else” or don’t know what they would do.

5. Take a close look at your investments and review them for changes. Remember, as we get older, we have less time to make up losses in our investments and as you age, your investment horizon normally shrinks.

6. Start paying down debt. Debt can be a drag on your retirement, and once the debt is retired, stress becomes less, and your options for life increase.

7. Budgeting and following a monthly plan can help. There are numerous studies about budgeting; one thing is for sure, people who have a budget and follow it have less stress. Make a budget and stick to it. Life should be enjoyed.

Use these simple seven financial tips as the first step to regaining financial freedom and reducing stress.

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***Send your financial questions to Lawrence Castillo at
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