

Your Complete Financial To-Do List for the New Year

Article by our partner, cuContent



A new year brings new opportunities — and when it comes to your finances, there's no better time to reset, refocus and plan ahead. Here are eight financial tasks to tackle before the new year.

1. Review last year's spending

Before you look forward, take a moment to look back. Go through your checking account and credit card statements to see where your money was spent last year. Identify your biggest spending categories and look for unnecessary expenses.

You can use budgeting apps, like YNAB, to help categorize your spending.

2. Set clear financial goals

Ask yourself: What do I want to accomplish, financially, this year? Clear goals will provide motivation and direction and keep you on track. Some examples of financial goals include paying off debt, saving for a trip, building an emergency fund and increasing your investments.

Be sure to make your goals SMART: Specific, Measurable, Achievable, Relevant and Time-bound.

Once you've clarified your larger goals, break them down into monthly or quarterly milestones so you can track progress regularly.

3. Rebuild or start your emergency fund

An emergency fund is your financial safety net. Without the money to cover an unexpected expense, you can easily fall into debt when life happens.

If you don't have a fully funded one yet, aim to build three to six months' worth of living expenses now. You can open a high-yield savings account to store your fund so it collects interest. It's also a good idea to automate deposits so you never forget to feed your savings.

Start small — even \$20/week helps.

4. Create or update your monthly budget

If you don't have a budget, create one now. List your monthly income along with all expenses and categorize all spending (needs, wants, savings). Subtract expenses from income, and adjust if you're overspending. Next, set a dollar amount for each spending category. Your budget is ready to use!

If you already have a budget, take the time before the new year to review and tweak it to reflect any changes in your life or income.

5. Check your credit reports and score

Credit impacts your ability to borrow rent, or even get hired. Before you usher in the new year, get your free reports from all three bureaus at [AnnualCreditReport.com](https://www.annualcreditreport.com). Look for errors or signs of fraud.

6. Tackle high-interest debt

Start the year with a plan to pay down debt — especially high-interest balances like credit cards.

You can choose to use the avalanche method by paying off the debt with the highest interest first, or the snowball method, in which you pay off the smallest balance first. To speed up the process, allocate windfalls like bonuses or tax refunds toward your debt.

7. Maximize retirement contributions

Make retirement savings a priority, whether you're just starting out or increasing contributions. Contribute to your 401(k), especially if there's an employer match, or open/fund a Traditional or Roth IRA.

The earlier you invest, the more time your money has to grow.

8. Cancel unused subscriptions

Review your checking and credit card accounts to check how much money you're spending on subscriptions. Cancel any service you don't really need or use.

Use our guide for your complete financial to-do list for the new year.