

NEW YEAR, NEW FINANCIAL RESOLUTIONS

As we approach the end of 2021 and the start of 2022, financial professionals can help clients reflect on the past year and put some thought to the year ahead. While resolutions are traditionally focused on health or establishing good habits, some clients may benefit by making financial resolutions.

Let's review some helpful resolutions to start the year off right.

Save for Retirement

Getting started is the first big step. Help your clients review workplace options and ensure they take advantage of matching contributions to get the most bang for their buck. If the plan offers a longevity annuity as an option, consider placing some contribution there. Consider IRA or Roth IRA options if workplace savings are unavailable.

Pay Off Debt?

Identify what type of debt is owed. Pay off high interest debt first and focus on reducing other debt. Then, look at how much debt is owed and when it must be paid off.

There are a few strategies that can be effective:

- Pay off highest-cost debt first.
- Pay off the smallest account first. This can give a sense of accomplishment; then work on the other debts.
- Consider consolidating debt into one payment, potentially at a lower rate; however, continuing to ring up more debt can be self-defeating.

Create an Emergency Fund

The rules of thumb vary between having 3–12 months of living expenses. It really comes down to how secure current income is. If someone has a spouse who works, that can cushion the blow of a sudden loss of income.

Review the Estate Plan

Did anything change last year? Did the family welcome a grandchild, or did a child get married, or was there loss of a family member; all these occurrences create an opportunity to review beneficiaries on accounts to make sure they are up to date. Also, clients may want to consider if a trust or a will may ease the burden on survivors, taking care of dependents, including spouses or minor children.

Adjust Spending

It's not quite as simple as making coffee at home versus eating out. While many of us can cancel subscriptions we no longer use, the big cuts come from higher-ticket items. Reinvestigate competitive rates for auto and home insurance every couple of years. Review workplace benefits to ensure clients have the optimal plan coverage.

Ultimately, good financial health can equal good mental health. Building strong financial health can help weather the unknown financial stresses in the new year to help alleviate worry.

Be sure to schedule a call with clients to share the above information, and help them meet their financial health resolutions for 2022.

Additional Resources and Links

[Year-End Tax Updates and Planning Opportunities](#)

[Tax-Planning Blogs](#)

[The Need of Tax Management](#)

[The Annual 1040 Review](#)

For more information about retirement planning,
please contact our Retirement Strategies Group at
RSG@PacificLife.com or (800) 722-2333, ext. 3939.
PacificLife.com

This material is provided for informational purposes only and should not be construed as investment, tax, or legal advice. Information is based on current laws, which are subject to change at any time. Clients should consult with their accounting or tax professionals for guidance regarding their specific financial situations.

Pacific Life refers to Pacific Life Insurance Company (Newport Beach, CA) and its affiliates, including Pacific Life & Annuity Company. Pacific Life Insurance Company is the issuer in all states except New York. Pacific Life & Annuity Company is the issuer in New York.

VLC2409-1221W

This material is educational and intended for an audience with financial services knowledge.

2 of 2



THE OFFICIAL SPONSOR
OF RETIREMENT*