



## NEWS

### FOR IMMEDIATE RELEASE

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Jeffrey A. Carbone, CFP®

## Making Financial Resolutions for the New Year

### *Financial Advisor Offers Annual Financial Planning Tips for a Better 2008*

CHARLOTTE, NC (February 19, 2008) – As 2008 gets underway, people all over the world are have made New Year’s resolutions. Whether losing 10 pounds or making financial related resolutions, the New Year provides an opportunity for people to take stock of their lives and resolve to do things differently. According to Jeff Carbone, a Charlotte-based independent financial professional, most people spend more time planning their annual vacation than planning for their financial future. But Carbone advises that when thinking about finances at the beginning of the year, Americans should go beyond the obvious financial resolutions.

“When people think about making beginning-of-the-year financial resolutions, they are often centered around saving more, creating a spending plan (also known as a budget) and paying off existing debt, much of which has been accumulated during the recent holiday season,” says Carbone. “And while people should create and stick to a budget, pay off debt and save for the proverbial rainy day, there are other, often more pressing, things to which consumers need to pay attention.”

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Carbone offers these four tips for those working to get their financial houses in order for the New Year.

### **ORGANIZE FINANCIAL PAPERS**

According to Carbone, the first quarter of every new year is a great time to consolidate and update all your important information. “You’ll be getting various year-end account statements and tax documents in the mail. Make an extra copy if needed to put into your personal finance binder or file. Whether you use a paper system or account aggregation software, it’s important to organize all financial statements and estate related important documents in one place,” says Carbone. This includes all statements from credit card and retirement accounts to wills, powers of attorney and health care directives. “By going through these documents annually, you make sure that the most current information is accessible to loved ones in the event that you are incapacitated or unavailable. As you clean out the old documents, be sure you destroy – versus simply toss the things you no longer deem necessary to keep,” says Carbone. “You might also keep an eye out for outdated information such as beneficiary designations that need to be updated.”

But Carbone warns against using a lock box or safety deposit box to house important documents. “When a person dies, lock boxes and safety deposit boxes are automatically locked and a court order is required to open it,” says Carbone. “If you choose to use one of these boxes, be sure to make copies of all the contents and give them to the executor of your estate or a trusted family member.”

### **CHECK YOUR FICO SCORE AND CREDIT STANDING**

“One of the most important things people can do at the beginning of the year is to get and review their free annual credit report,” says Carbone. Many online services are available to help you order a report or even view online this essential information. “Make sure that everything that is on your report belongs to you and that no unrecognized accounts or activity are on the report. Watch for any derogatory items and try to contest them,” he counsels. “Treating your credit report as if it is gold can pay off in lower interest rates with credit card companies or should you decide to refinance your home, buy a new vehicle, or apply for some other type of consumer credit.”

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## **BE AWARE OF NEW INCOME TAX LAWS**

Each year, there are new laws that affect your money. “The beginning the year is a great time to review your investment portfolio and make adjustments based on the ever changing income tax laws,” says Carbone. Like long-term capital gains, qualifying dividends are generally taxed at a maximum rate of 15 percent. Carbone advises that investors consider investing in dividend-paying stock rather than an investment that pays taxable interest to take advantage of lower rates. To ensure favorable dividend treatment, an investor needs to hold the underlying stock for a minimum period. In general, the minimum holding period is 61 days during the 121-day period beginning 60 days before the stock’s “ex-dividend” date.

## **GET A FINANCIAL CHECK-UP**

The beginning of the New Year is also a great time to take a look at your accounts to ensure that you have enough saved for a rainy day. “From savings accounts, retirement accounts and insurance policies, it’s important to check to ensure that you are on the right financial path,” says Carbone. “While these can be reviewed as part of a do-it-yourself check-up or in concert with your CPA, a financial planning professional is often times the best person to assess your overall situation and make sure that you are on track to meet your financial goals.” Carbone underscores that while a financial check-up is important, it’s especially important for those who are considered high net worth investors. “High net worth individuals should also ensure that they have a minimum \$2 million umbrella policy to protect against potential lawsuits. This insurance is relatively inexpensive and can be a real lifesaver in the event of a lawsuit.”

In addition, review the current IRS guidelines for your 401(k) and retirement accounts to ensure that your contribution levels are at the maximum amount allowed under the law (currently \$15,500 per year). “If you’ve hit the 50-year mark, remember you can contribute an additional \$5,000 per year making for a total allowable contribution of \$20,500,” says Carbone.

## **About Jeff Carbone and Cornerstone Financial Partners**

Jeff Carbone and his partners at Cornerstone Financial Partners have a combination of over 50 years of experience providing comprehensive financial planning strategies for business owners

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and executives, as well as wealth management programs for athletes and entertainers. They are committed to providing a balanced, comprehensive and personal approach to their client's investing and financial interests.

Over the years the partners at Cornerstone Financial Partners have found it rewarding to share their insights regarding financial principles with the public. They deliver numerous financial planning seminars and have been interviewed for several consumer and trade publications including the Wall Street Journal, Journal of Financial Planning, Chicago Tribune and Charlotte Business Journal.

Visit [www.cornerstone-sai.com](http://www.cornerstone-sai.com) for more information about Mr. Carbone and his company.

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**NOTE:**

When you need a knowledgeable professional to speak on complicated financial topics in a concise yet lively manner, please call Jeff Carbone at (704) 987-3410.

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