

Time to Make New Year's Financial Resolutions

SUBMITTED BY KEVIN O'KEEFE

Do you remember any of the New Year's resolutions you made for 2005? If you don't, it may not be such a tragedy. After all, you still may have had a good quality of life even if you didn't get to the gym three times a week, learn a new language or take that gourmet cooking class. On the other hand, you can make a big difference in your future if you make — and keep — financial resolutions for the coming year.

Of course, as with all resolutions, the financial ones are easier to keep if they don't force you to radically change your lifestyle. So, with that in mind, here are a few achievable financial resolutions you may want to consider for 2006:

- Increase your 401(k) contributions. If your salary goes up this year, increase the percentage of your earnings that you defer into your 401(k). With tax-deferred growth, pre-tax contributions and a variety of investment choices, a 401(k) is one of the best retirement savings vehicles around. Plus, since the money is taken out before it even reaches your check, you won't really "miss" your increased contribution.

- "Max out" on your IRA. In 2006, you can put up to \$4,000 into a traditional or Roth IRA, or \$5,000 if you are 50 or older. If you cannot come up with the maximum amount at once, try dividing your IRA contributions into 12 equal monthly payments

— and have the money taken automatically from a checking or savings account.

- Pay down your credit card debt. As you may know, the Federal Reserve raised short-term interest rates 12 straight times from June 2004 through November 2005. Sooner or later — and probably sooner — these rate increases will affect interest rates charged by credit card providers. So, if you are paying a variable rate on your credit cards, be prepared to pay more in interest. These interest payments do you no good, as you can't deduct them from your taxes; consequently, you'll want to pay down this debt as quickly as you can.

- Review your investment portfolio. It's a good idea to

review your investment portfolio at least once a year. Over the course of 12 months, your life can change in many ways; e.g., new spouse, new house, new child, new job, etc. And if your life changes significantly, your investment goals may also change. But even if your circumstances haven't changed much in a year, you should review your holdings to make sure they are properly diversified in a way that reflects your individual risk tolerance, time horizon and long-term objectives. A financial professional can help you review your investments to make sure you are still on track.

- Avoid last year's mistakes. Everyone makes investment mistakes — but the smartest

investors make them only once. Try to identify any errors you made in 2005. Did you chase after "hot" stocks only to find they had already cooled off by the time you purchased them? Did you incur a large tax bill by constantly buying and selling investments? These are the types of mistakes you should seek to avoid in 2006.

So, there you have them: some New Year's financial resolutions that, if followed carefully, can provide you with benefits long after 2006 is over.

Mr. O'Keefe manages the office of Edward Jones Investments coming this month to the Marketplace at Kapolei.

Dawn's Databytes

BY DAWN SANDERS

Hauoli Makahiki Hou! 'Tis the season for reflecting on the past year, treasuring family, personal and business relationships gained and thinking about other aspects of your life. Here's a favorite countdown of mine geared toward the business-minded but can be applied to others.

12 – Dust off your business plan. In Honolulu, Service Corps Of Retired Executives (SCORE), (<http://www.hawaiiSCORE.org/>) offers free business consulting. For ladies thinking about starting a business, please visit the Hawaii Women's Business Center (<http://www.hwbc.org>). I am an avid supporter and board member. Another great website is <http://www.business.gov>.

11 – Taxes! Remember to always consult a qualified tax accountant and/or tax lawyer to get the best advice.

10 – Protect your computer investment.

- Use encryption of files to protect sensitive files and messages.
- Change passwords frequently.
- Install and frequently update virus protection software and firewall protection.
- Always shred confidential files and records no longer needed; especially those containing

social security numbers.

9 – De-stress. Take a ten-minute walk. It will do wonders for relieving the stress of the day, rejuvenate your energy and you'll burn calories!

8 – Disaster planning is a must.

- Your valuable data, not the hardware, but the content stored on your computer is the critical heart of your business. Strongly consider off-site storage in case of disaster. Regularly back up important files. Great freeware finds: <http://www.xxcopy.com> and <http://www.pcinspector.de>.
- Review your current insurance policies to determine if it would realistically get your business up and running in the event of a disaster. Does it recover the costs of critical equipment?
- Maintain updated lists of emergency contacts, employee and family phone trees to rapidly communicate during emergencies. Make arrangements with suppliers to quickly replace vital hardware and streamline this process by anticipating vendor requirements (i.e. credit checks). Invest in surge protectors with battery backup to guard and keep systems working during blackouts.

7 – Access to the economical deals. There are many great deals for

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hardware and software. Some favorite shopping sites include:

- <http://www.eopinions.com>
- <http://www.buy.com>
- <http://www.pricegrabber.com>

Don't forget to check some of your favorite super stores' websites. Sometimes they offer better deals online.

6 – Take advantage of technology.

- Conduct as much of your business online. It is very economical.
- Have you Windows-users tried NetMeeting software? Do a search from Windows Help to launch it.

- Make sure you own a website. Before hiring a web designer, check out my free guide, "Everything the Small Business Owner Needs to Know Before Getting a Website" accessible from my site, <http://www.cdishnow.com>.
- Check your customer service. Call your own company, or have a friend do it while you are listening, and determine whether hold times are lengthy or if your voicemail system is too complicated.

5 – Energize your employees.

- Show your employees that you know what they are doing and voice your opinion to them.
- As an office, celebrate the suc-

cesses of the past year and make plans for the New Year. What a great way to motivate and encourage your employees to help chart the direction of your business!

- Give your staff time to pursue business-related projects of their own. This will benefit your company as well as develop employee growth and motivation.
- Give your staff the authority to please and appease customers. The number one rule in customer service is "Never let the customer leave unhappy."

4 – Cut the cord and get networked! Wireless networks are faster, more secure, less expensive and easier to set up.

3 – Breathe some fresh ideas into marketing your business.

- Pitch your ideas to the press. Media coverage is one of the most powerful marketing tools available.
- Send a birthday card celebrating the "birth date" of when you sold a product or service to a customer.
- Cross-promote with other businesses whenever possible. Offer discounts to customers that patronize both businesses.
- Use your invoice to advertise products, services or current promotions. (Credit card and utility



companies do this all the time!)

- Create your own postcard to reach clients. It is cheaper to mail and will more likely be read.

2 – All you need is more time, right?

- Discover your peak work hours and make your work life evolve around these hours where feasible to be most effective.
- ALWAYS take the last 15 minutes of each workday to prepare for the next day. This usually saves you two hours the next day and keeps you focused.
- Start your day one hour earlier than everyone else.

1 – At a loss for words in writing business letters?

One of my favorite Web sites is <http://www.businessownersideacafe.com>. It offers sample business letters and many business support ideas.

Happy Computing!
Dawn