

CPA and Financial Advisor Shares 11 Money Moves to Make Before 2024 Runs Out

CPA and financial advisor John Pharr says people need a solid plan get their finances in shape —and it needs to start now.

PENSACOLA, FL, UNITED STATES, December 23, 2024 /EINPresswire.com/ -- With the holidays in full swing and 2025 coming up fast, many people have lots to do: last-minute shopping, meal planning, and wrapping up work projects to enjoy some much-needed time off. Financial fitness might be the last thing on most people's mind. CPA and financial advisor John Pharr says it shouldn't be.

"How we handle our finances is very much tied to how we experience life," says Pharr. "Our spending, saving, and money management habits reflect our psychological health. By getting a handle on them, we can dramatically reduce our worry and anxiety and regain a sense of control."

But don't just make some vague resolution about saving more in 2025. Pharr suggests that over the next few weeks people pencil in some time to get down to the nitty-gritty. For instance:

Get real about retirement. Many people think of retirement contributions as almost an afterthought. But rather than taking a "whatever's left" mentality, says Pharr, people should pay their future selves first: Down the road, many will wish they had the benefit of that compound interest. Plus, contributions to traditional retirement accounts can lower taxable income.

"Remember: If you're contributing to a 401(k), make sure you've hit the max (\$23,000, or \$30,500 if you're 50+)," says Pharr. "Same for your IRA—\$7,000 if you're under 50, and \$8,000 for those 50 and older. The deadline to contribute to a 401(k) is usually December 31. You can make a 2024 IRA contribution until April 15, 2025."

People should also consider opening a Roth IRA for their child (as long as they have earned income).

Take a hard look at health insurance. This one is also time sensitive. Open enrollment ends on January 15 (after this date, people can only enroll if they have a special life circumstance like losing other coverage, getting married, or having a baby).

"If you have a Health Care Flexible Spending Account, remember that these funds are 'use it or lose it,'" notes Pharr. "Buy eligible health products before year-end or schedule that eye exam you've been putting off."

Look at other insurances, too. Some might be overinsured (or underinsured, for that matter). People should review their insurance coverage—auto, home, life. "Have your needs changed?" says Pharr. "Is it time to shop around for a different provider? Could you increase your deductibles? Think about what you could afford in the event of a loss and make decisions accordingly."

Audit spending habits. So often people spend money mindlessly with little planning or on things that don't serve them well. Here are a few pointed questions to ask:

- Am I dining out too much? Food prices are up across the board, but cooking is still generally cheaper than paying restaurant prices. ("And if your New Year's resolution is getting healthier, eating more meals at home can help with that too!" says Pharr.)
- How many subscription services am I actually using? Streaming platforms, gym memberships, meal kit subscriptions—purge the ones that are gathering dust.
- Do I REALLY need that luxury purchase? Think: shiny new car, expensive vacation, top-of-the-line smartphone, and so forth. Less pricey alternatives almost always exist.
- Did I just blow the budget on the holidays? It might be too late for this year, but let the credit card bill that's arriving in January be a reminder for next year. And speaking of credit cards...

Get intentional about paying off consumer debt. Pull out all credit card statements (with a balance) and make a plan. Commit to paying off a significant amount each month and mark it on the calendar.

Do some research to trim those monthly bills. The utility bill is one example. Small tweaks like a programmable thermostat or switching to LED bulbs could help lower many people's bill. Many utility companies will even do a free energy review or audit of a home and suggest money-saving ideas, like getting insulation or replacing energy-sucking appliances.

"Mobile phone and cable bills are other good examples," says Pharr. "Sometimes rates keep rising and we just keep paying without checking into other options. No one enjoys doing this kind of research, but your bank account will thank you. Bite the bullet and just do it."

Update an estate plan. Okay, it's not a fun topic to think about during the holidays, but setting up an estate plan can relieve strain on loved ones later. For those that already have an estate plan, the end of the year is a good time to review everything and make sure it still makes sense.

Make charitable donations. Want a last-minute tax deduction? The end of the year is one of the most popular times to make donations. (“Plus, it’s the season of giving,” Pharr points out. “It can actually be rewarding to decide as a family where you want to share a little holiday cheer.”)

Declare any bonus off-limits. Don’t blow any year-end bonuses on lavish holiday gifts. Instead, people should look at their financial goals and make a thoughtful decision based on them. They could pay off a chunk of debt, or max out their IRA, or put the extra cash in a high-yield savings account (after all, interest rates are favorable right now).

Check for unused employer benefits. Be aware that some PTO, wellness reimbursements, or education stipends vanish with the new year. People should check to make sure they’re not missing out.

Map out a budget for 2025. Financial fitness is a great New Year’s resolution. “Where did you overspend this year?” says Pharr. “What can you trim? This plan doesn’t need to be fancy, just something you’ll stick to.”

“The important thing is to hammer out the details and get it on paper, rather than making some vague ‘Spend less in 2025’ proclamation,” says Pharr. “If it’s not written down, you won’t do it.”

Finally, if all this feels overwhelming, call in a professional.

“Financial decisions are complex, and most people need help,” says Pharr. “Meeting with a financial advisor and getting a plan in place can be an enormous relief for most people. When you can stop worrying about money, it frees up a lot of mental bandwidth and makes space for real holiday joy.”

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John Thomas Pharr is a CPA and financial advisor at Riverside Wealth Advisors, LLC, and the founding member and manager of John Pharr, CPA, LLC, both located in Pensacola, Florida. He dedicates his expertise to serving families and businesses in the Pensacola area and throughout the southeast.

Pharr is a lifelong observer of the connections between people’s money mindset, the behavior patterns that stem from it, and their likelihood of achieving financial security. He is passionate about helping clients effectively plan for their retirement, educating them on the diverse strategies for building and managing wealth, and encouraging them to make doable changes that lead to a more fulfilling life.

He is licensed to offer a range of investment and insurance products, and his qualifications in the financial industry are comprehensive, encompassing Series 6, 63, and 65 licenses, as well as health and life insurance.

As a longtime resident of Pensacola, Pharr is an alumnus of the University of West Florida with a degree in accounting. He holds a CPA license in the state of Florida. As an instrument-rated multi-engine pilot, he greatly enjoys flying and traveling with his wife, Millie.

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