

Reviewing your finances

Why delay? - Do your financial review now!

People constantly say that they don't have time to deal with certain matters – reviewing their personal finances being one.

Given the past couple of turbulent financial years, it is imperative that each individual dedicates some time to reviewing their overall financial position. People often find it a difficult discipline to sit down and look objectively at their financial affairs – the market conditions of the past three years will no doubt exacerbate this reluctance to review.

However, the sooner this review process is conducted, the more quickly appropriate remedial action can be taken.

Hereunder, we outline some points which may assist you in reviewing your financial affairs.

- **Do you have an up-to-date financial plan or have you ever prepared a financial plan?**

If you have an income tax liability, a pension payment or any other large liabilities to pay towards the end of 2011, you should commence your budgetary process immediately. Given the well documented difficulty in sourcing finance with banks, early attention to this matter cannot be over-emphasised.

- **Have your family circumstances changed since the last review of your finances?**

If this is so and for example you have additional children it is most likely that you may need to have additional life cover in place. If in doubt about your policy benefits, have them confirmed to you by your adviser.

- **Is your level of income protection sufficient?**

Many people may have taken out income protection policies earlier in their lives and not had them updated to their current salary level. If in doubt about your policy benefits, have them confirmed to you by your adviser.

- **Have you reviewed your loan(s), both personal and business, and are you aware of the conditions attaching thereto? Have you considered putting payment protection in place?**

If you are under financial pressure to meet monthly repayments, you need to address this with the relevant financial institution immediately. This may involve seeking interest only repayments for a period or, alternatively, an extension to the term of the loan(s). Payment protection may be appropriate if you believe that you could be made redundant over the coming period.

• **Do your current investment and pension policies reflect your risk profile & financial requirements?**

As with the other items noted above, it is important that you review your policies regularly. You may, for example, wish to increase or reduce the amount you are contributing to a particular policy or put all contributions on hold for a period of time. It is most likely that existing policies will have fallen significantly in value over the past two years. You might consider investing all new contributions to a different fund.

It is important to dedicate appropriate time to this personal financial review. If, at the end of the review, you realise that there are some changes you wish to put in place, then do this straight away.

We, in Grant Thornton Financial Counselling (GTFC), shall be delighted to assist you in the completion of the above review and the implementation of the recommendations arising. Please feel free to contact us, or your own adviser, and complete your financial review as soon as possible.

“But when people talk about cash being king, it’s not king if it just sits there and never does anything. There are times when cash buys more than other times, and this is one of the times when it buys a fair amount more. So we use it.” “...you want to be greedy when others are fearful. You want to be fearful when others are greedy. It’s that simple”

Warren Buffet

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