

# YOUR FINANCIAL FITNESS CHECKUP

Your financial well-being, like your health, can benefit from regular checkups — but where to start? Here is a step-by-step plan to improve your financial fitness.

**Pay yourself first.** Set a savings goal and implement your strategy by using regular, automatic deposits or investments into the account. If you participate in an employer-sponsored qualified retirement plan, such as a 401(k) or 403(b), try to contribute at least the amount needed to obtain the full company match.

**Create a budget.** It is difficult to set goals for saving without understanding where your money is being spent. Track your expenditures and differentiate between your wants and needs. Reducing overspending on minor expenses, such as a daily latte, can have a big impact on your finances.

**Pay down credit card debt.** Credit card debt is most likely the highest interest rate debt that you have, and if you have been paying only the minimum amount, set a goal to pay down more of the principal each month. Your ultimate objective should be to charge no more than you can pay off each month.

**Prepare a personal net worth statement.** A net worth statement is a list of all of your assets (for example, home, bank accounts, investments, etc.) and all of your debts (for example, mortgage, credit cards, car loans, etc.). Compiling this information is a simple exercise that can help you focus on your financial goals.

**Review your estate planning documents.** Documents that everyone usually needs include a will, a durable power of attorney and a living will (an advance directive). If you have minor children, a will is necessary for naming a guardian in the event of your death. These documents should be regularly reviewed (generally every three years) and modified as needed. Your closest family members should know where the documents are in case of an emergency, and it may be appropriate to review the material with family members, especially those individuals that are designated with specific responsibilities (for example, an executor, trustee, guardian, etc.).

**Rebalance your investment portfolio.** The asset allocation strategy that you employ in your investment portfolio should be aligned with your financial goals. Over time, certain asset classes (for example, stocks, bonds, cash equivalents, etc.) may have performed better than others, and your portfolio should be rebalanced (re-aligned) back to your target allocation.

**Review your insurance.** The disability, life and long-term care coverage that you maintain should be reviewed annually to determine whether your protection needs are still being met. At younger ages, the probability of having an unexpected debilitating event is greater than dying prematurely. You should also review your property and casualty coverage (for example, homeowners, automobile, etc.) and, in certain situations, you may want to consider using an umbrella protection policy.

**Review your tax plan.** Tax laws change periodically and it is important to know how such changes will likely impact your financial situation. A qualified tax advisor should be able to help you understand how these laws will affect you.

**If you need further help with these matters or if you need additional assistance for planning for a specific objective, such as preparing for retirement, you would be well served by seeking guidance from qualified wealth planning professionals. For more information, visit [pnc.com/wealthmanagement](http://pnc.com/wealthmanagement).**

The PNC Financial Services Group, Inc. (PNC) uses the names PNC Wealth Management®, Hawthorn, PNC Family Wealth® and PNC Institutional Investments® to provide investment and wealth management, fiduciary services, FDIC-insured banking products and services and lending of funds through its subsidiary, PNC Bank, National Association, which is a **Member FDIC**, and uses the names PNC Wealth Management® and Hawthorn, PNC Family Wealth® to provide certain fiduciary and agency services through its subsidiary, PNC Delaware Trust Company. "PNC Wealth Management," "Hawthorn, PNC Family Wealth" and "PNC Institutional Investments" are registered trademarks of The PNC Financial Services Group, Inc.

This article is furnished for the use of PNC and its clients and does not constitute the provision of investment, legal or tax advice to any person. It is not prepared with respect to the specific investment objectives, financial situation or particular needs of any specific person. Use of this report is dependent upon the judgment and analysis applied by duly authorized investment personnel who consider a client's individual account circumstances. Persons reading this report should consult with their PNC account representative regarding the appropriateness of investing in any securities or adopting any investment strategies discussed or recommended in this report and should understand that statements regarding future prospects may not be realized. The information contained in this report was obtained from sources deemed reliable. Such information is not guaranteed as to its accuracy, timeliness or completeness by PNC. The information contained in this report and the opinions expressed herein are subject to change without notice. PNC does not provide legal, tax or accounting advice. Past performance is no guarantee of future results. Neither the information in this report nor any opinion expressed herein constitutes an offer to buy or sell, nor a recommendation to buy or sell, any security or financial instrument. Accounts managed by PNC and its affiliates may take positions from time to time in securities recommended and followed by PNC affiliates.

**Securities are not bank deposits, nor are they backed or guaranteed by PNC or any of its affiliates, and are not issued by, insured by, guaranteed by, or obligations of the FDIC, or the Federal Reserve Board. Securities involve investment risks, including possible loss of principal.**

To ensure compliance with Internal Revenue Service Circular 230, we inform you that any U.S. Federal Tax advice contained in this communication is not intended or written to be used, and cannot be used, for the purpose of (1) avoiding penalties under the Internal Revenue Code or (2) promoting, marketing or recommending to any person any tax-related matter(s) addressed herein.

*This article includes excerpts from the PNC Bank article entitled "Eight Financial Tips for the New Year," as prepared with comments from Joseph Jennings, CFA and Investment Director for PNC Wealth Management, in January 2014.*