

# 2021 Is Halfway Over: Is It Time For a Mid-Year Financial Checkup?

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Summer is finally in full swing, meaning we're already about halfway through 2021. After a year like no other, we're all excited to enjoy the warm weather with friends and family. If you have some time over the coming weeks, take a moment to slow down and check up on your financial wellbeing.

Here are five things you can do right away to make sure your goals are being met and your finances are in good shape before heading into the second half of 2021.

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## 1. Review Your Budget

It's possible your budget for this year looks a little different than it did in 2020. Many of us spent less on things like travel, vacations, eating out, entertainment, and the holidays. If you didn't revisit your spending budget for 2021, pause now and take a moment to identify areas where you may be spending more (or less) than last year.

Spending aside, it's possible your income stream may have changed as well - whether you received a promotion, started a new career, or experienced a COVID-related job loss. If you're still following the same budget as last year but your income has changed, reevaluate your budget immediately.

## 2. Check Your Credit Score

Checking your credit score is an effective indicator of your financial wellbeing. This is especially important if you plan on doing anything significant in the second half of 2021, such as buying a car, purchasing a home, refinancing a mortgage, or taking out a personal loan. All of these scenarios, and others, require a credit check. Being proactive in checking your credit score now can give you time to identify potential problems (such as a missed payment) and work to resolve them.

## 3. Review Your Retirement Contributions

If you save for retirement through an employer-sponsored fund such as a 401(k) or 403(b), take some time to check up on your account. This is true for everyone, even those who have opted to have funds automatically deferred. This year, the 401(k) contribution limit is \$19,500 for those under 50 and \$26,000 for those 50 and older.<sup>1</sup> If you're approaching retirement, you now have the opportunity to save even more in your account in order to get the most out of your employer-sponsored plan. Checking in on your yearly contributions now gives you plenty of time to catch up or contribute more before the year ends.

## 4. Assess Your Tax Liability

Double-check your tax withholdings, making sure that you have the proper amount withheld or determining if adjustments need to be made. Adjustments may be necessary if you've experienced certain life events, such as marriage or divorce. Making sure your tax withholdings are reflective of your current situation for 2021 can help you avoid surprises come tax season.

## 5. Re-Evaluate Your Goals

After over a year of living through a pandemic, you are sure to have gone through some unexpected changes in your life. Now that the pandemic is coming to an end, there are even more changes likely to come. Now is an opportune time to revisit the goals you made at the start of 2021 and make sure they are still well-aligned with your current standings. If not, take a step back to look at your entire financial situation and future needs, and create new goals that better reflect them.

## NEXT STEPS

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Take some time to prepare for the second half of the year. As life returns to normal, reevaluate your financial standings. Determine whether you're on track to meet your goals, or if you may be in need of assistance from a trusted financial professional.

If you have any questions or would like to talk further about your specific financial situation, please reach out to me anytime.

All the best to you and yours.

## CONTACT US

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### Sources:

<sup>1</sup> <https://www.irs.gov/retirement-plans/plan-participant-employee/retirement-topics-401k-and-profit-sharing-plan-contribution-limits>

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