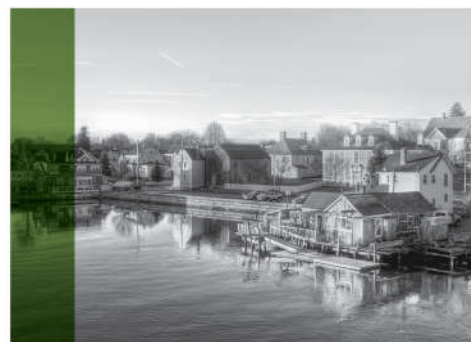


January 2023

Here's to Your Wealth

Discussions for financial health and well-being



With a great sigh of relief, I say, “Happy New Year” to you! I think we are all happy to close the books on 2022, even if we are a bit cautious going into 2023. While predicting winners and losers over the next 6 to 12 months is extremely difficult, there are some things we can do right now that could save us time and money.

1. **Budgets.** Some people hate this word. It invokes visions of spreadsheets and restrictions on spending and happiness. We need to change how we think about budgets. When set up correctly, budgets don't restrict spending. Quite the opposite, a well-planned budget gives us freedom to spend because we know the important things are covered.

Government agencies, businesses and non-profits all use budgets to forecast revenue and expenses to try and make better decisions. Yet, only about 55% of Americans use a budget and 56% could not tell you how much they spent last month. That means half of us are going paycheck to paycheck, hoping we don't run out of money before we run out of month (Dow, 2021).

There are plenty of online resources to help get started. There are apps and free spreadsheet templates as well. Now is a great time to start tracking income and expenses and telling each of your dollars what to do rather than wondering where your dollars went.



Start the year off right. Save time and money with a few simple tips.



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2. COLA. Not the soda. Did you receive a cost of living adjustment in your wage income or social security? Maybe you got a bonus? If you have a budget, see #1 above, you can fine tune any categories that might be requiring more of your income, like spending more on eggs! If you have money left over, it's a great time to increase contributions to retirement plans, taxable investment accounts or even your emergency fund.
3. Subscription services. Netflix, Amazon Prime, Hulu, Peacock, Paramount+, Pandora, Spotify, the list goes on and on. We have become so accustomed to having services on our phones, tablets and computers, that many of us have lost track of what we are paying.

A recent poll found that consumers really don't know how much they are spending each month on subscriptions. When asked, the average guess was \$86 but the actual amount was \$219. The average consumer in 2020 had 12 paid subscriptions for media and entertainment alone, while millennials averaged 17 (O'Brien, 2022). It is a good idea to review bank and credit card statements to see if you have any subscriptions that you no longer use or that don't bring you the same level of joy they once did. You may have also signed up for some subscriptions on a trial basis which is long past, and you're now spending cash for something you don't even watch.

4. Electrical supplier. This one takes a bit more work and research. In NH, our electric bills have two main components, supply and delivery. We have the option of choosing our supplier while we are at the mercy of whatever company delivers the final product to our region.

There are many different companies authorized to supply electricity in NH. You can find them here: <https://www.puc.nh.gov/consumer/energysuppliers.htm> . **Caution:** You will want to review these carefully as there are many differences in terms, all of which affect price. Examples of terms are: contract length, price, cancelation fee, new customers only, and others. With some effort, you may be able to lower your electric bill significantly. If you do switch suppliers, you will want to repeat this exercise at the end of each contract term.

5. Abandoned property. This one can be fun. Abandoned assets, like checking and savings accounts, life insurance, uncashed checks, etc. are turned over to the state after a certain time period has gone by without successfully communicating with the owner. The State of NH maintains a database that can be searched by anyone. Here is the link: <https://newhampshire.findyourunclaimedproperty.com/> .

All you have to do is enter some basic information and run the search. The website will provide a list that matches your criteria, for example your last name. If anything on the list looks familiar, you can click on the claim button and enter more information to submit to the state. If they are satisfied that you are the rightful owner, they will send you a check.

6. Consolidate Accounts. It can be difficult to get a good snapshot of your financial health if you have accounts scattered all over the place. For example, if you moved around a lot and changed jobs several times, you may have retirement plan assets at multiple employers. You could have bank accounts still open at banks you no longer use. By combining all of these assets, you don't have to worry about where your money is located or if your investments are allocated correctly.
7. Credit reports. Did you know that you can get a free copy of your credit report every 12 months from each credit reporting company? There are three companies: Experian, TransUnion and Equifax. You can access reports from all three here: <https://www.annualcreditreport.com/index.action> . I set calendar reminders so that every four months I review a credit report from one of the companies. This gives me the opportunity to make sure that someone hasn't stolen my identity and opened an account in my name. I also make sure nothing else on the report is incorrect. Any potential problems will be easier to resolve if they are addressed in a timely manner.

I hope you found some of these tips useful. Next month, we will look at some tips for reviewing estate plans.

Wishing you good health and wealth.

References

Dow, N. (2021, June 15). *More Than Half of Us Don't Keep a Budget or Know How Much We Spend.* <https://www.thepennyhoarder.com/budgeting/budgeting-statistics/domain=click.convertkit-mail4.com>
O'Brien, S. (2022, June 2). *Consumers spend an average \$133 more each month on subscriptions than they realize, study shows.* CNBC. <https://www.cnbc.com/2022/06/02/consumers-spend-133-more-monthly-on-subscriptions-than-they-realize.html>



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