

## Tricks in 2006

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It's that time again. We start a new year with vim and vigor, whatever that is, and then it is all downhill until 2007! Are you ready to break that old pattern? Are you ready for some football? (Sorry about that!) Are you ready to kick off next year with a bang and end up with a lot of dollars in your pocket at year-end? Let's see what we can do for you.

First of all, let's get organized. You need copies of your credit card statements, copies of your insurance policies and recent statements, copies of your bank statements, copies of your savings accounts, and last but far from least, copies of your retirement plan statements. Get them organized so you can see what you have spent or how much is accumulated in them; what interest you're currently paying, or what they are paying you; and on the insurance, how much you are spending, what it is for and the amount of the deductibles. Got all that? Let's continue.

We will start with your credit cards. Unless your credit score is lower than your IQ or your picture is hanging up in a post office somewhere, you should not be paying more than 11 percent interest on your credit card. If you are paying more, it is time for action. The action is to call your credit card company on their 800 number and tell them (don't ask them!) that you get offers every day for cards with better rates and bigger credit balances, and if they want to keep you as a customer, they need to do two things: (1) increase your credit limit; and (2) lower your interest rate to 9 percent. You will be amazed at how fast they will do that! That should help put more cash in your pocket for 2006 and beyond.

Time to tackle your insurance. Do you still have a low deductible on your auto insurance? Time to raise it to \$1,000 and save around 20 percent in premiums. Do you have towing coverage on your policy? Belong to an auto club like AAA or whatever? You don't need both. Get rid of it. Got a real old car and still paying for comprehensive? Why? Big savings here.

How about your health insurance? Got a personal policy with a low deductible? Set up a Section 105 Plan and your premiums, out-of-pocket expenses, and cost for things not covered are now 100 percent tax deductible. That should save you thousands each and every year.

Got an old disability policy, which you think is the best since it is old? It's time to review it and see if you can save here. If you have a good one with a 30-day elimination period on it, maybe you can afford to lengthen it to 90 days and save around 20 percent in premium cost.

Do you have an old life insurance policy that was "rated" because you were fat and ugly when you bought it?

Maybe you have lost those love handles now, but you are still ugly! It's time to let your company know so they can lower your premium. They don't care how ugly you are! Got an old term life insurance policy? Rates are lower now, so maybe it is time to see if a new policy will save you some money.

You say you love your bank? That's good, because once you see how much they are charging you in fees, it is the only way to justify leaving your money there! Total up all the fees they charge you

and you will see that you are paying more in fees than they are paying you in interest. If you haven't noticed, there is a bank on every corner (right next to a Starbucks). Maybe it is time to see what the competition will do for you and tell your friendly banker that if they want to keep you around, they need to start trimming your fees way back. Lots of dollars can be saved here. Also check out the financing cost on any cars that you have financed. By refinancing, you can lower your rates and save here, too.

Speaking of savings, where are yours? Sitting in your checking account earning zero or in a savings account earning less than the inflation rate? Time to put those lazy dollars to work. Check out Series "I" Bonds at [www.savingsbonds.gov](http://www.savingsbonds.gov). They are paying 6.73 percent tax free as of the writing of this article - worth taking a look at.

Got a retirement plan? That's the plan in which you hope some distant relative will leave you a bundle. That may not work. It is time to get serious about retirement planning. If you have a plan, is it doing what it should for you, so you will have enough to retire when you want to and stay retired? If not, then it is time to explore your options, and you have many. If you need some help in this area or in any of the areas that I have covered, just contact me and I will be happy to answer any questions and get you pointed in the right direction.

Houdini has a bag full of tricks.

I hope you can get some tricks so you have more money in 2006!

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JANUARY 2006