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Business Law

New Year's Financial Resolutions

This past year a lot of us experienced Bear Stearns, Madoffs, specter of unemployment and depletion of our retirement savings. However, we could make it easier for ourselves and our business by just doing a few things, step by step, this new year.

SAVE MORE AND INVEST

Think about it. If we want to go on a diet or exercise, we have to work hard to contain our appetite or make more effort at getting to the gym, looking at those people doing it and telling ourselves we can do it. But, financial discipline can be easier. We just commit ourselves to save whenever we can. We tell ourselves to put aside a few dollars every day, then invest those few dollars in our savings account on a long-term basis.

We could do even more. Whenever we go shopping and the cash register tells us we have saved \$5. Put that \$5 into our savings account. It certainly pays off.

FINANCIAL LITERACY

Everybody talks about financial literacy. But, what does it really mean? Well. Very simply, it means knowing and paying attention to what lenders, insurers, banks and other financial institutions are charging us for their products and services. Let's take some time to read what our insurance covers and what it does not. Let's learn how much our debt is costing us.

CREDIT CARDS

We all should know by now, credit cards could spiral our financial lives out of control swiftly and ruthlessly. So, the government is taking some consumer friendly measures. These measures will become effective in February. Some of these change are:

- Look at your credit limit. Card issuers cannot slam you with extra fees, if you put more on your credit card. In fact, your credit card transaction gets rejected at the store, if you ignore the limit.
- Look at your interest rate. If your interest rate is variable, it will go up when interest rates go up.
- Look at how much interest rates you have paid year to date. Card issuers are obliged under the new law to provide this new feature by the summer.

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