

SURVIVOR — (The accountant's guide)

HSA (HEALTH SAVINGS ACCOUNTS) – A wonderful way to reduce your health care costs and make them more tax advantaged. Only available in tandem with a high deductible medical insurance plan but when you can, this is one of the best “no brainers” out there. This is detailed at www.hoff-man.com/HSA.htm.

401(K) MATCH – If your employer offers a match to 401(k) contributions, be sure to contribute at least to the level of the employer match. It is generally like an instant investment return that would ordinarily take years to earn.

BENEFITS AT WORKPLACE – Be sure that you take advantage of the benefits your employer offers. Most of these are tax advantaged. Benefits can include pre tax health insurance, flexible health spending, dependent care benefits, commuter expense reimbursement, tuition reimbursement, life and disability insurance, legal assistance, or even subsidized lunch in the company cafeteria. If you aren't sure what your company offers – ask.

BUDGET – Would you hop in the car and take off for a summer vacation without a map or a plan of where you are going? If you don't have a financial budget for your household, that is about what you are doing as to reaching your financial destination. If you need to close a deficit in your household finances, you need a budget and you need to take a critical look at every place that you are spending money – from cable TV packages to name brands versus generics, or even switching to filtered water rather than bottled water.

INSURANCE DEDUCTIBLES – Insurance companies reward customers who increase their deductibles. The logic is that the shift towards bearing more of the cost of a claim leads to fewer claims. In addition, the cost of processing small claims is eliminated because the customer absorbs those small losses themselves. Have insurance for what it is designed for – protection against a large loss.

RENTER INSURANCE – If you rent and not own your home, be sure to have tenant insurance. It costs about \$300 per year and it can make the difference between a fire wiping out what you own and the inconvenience of having to use the insurance money to replace everything.

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LIFE INSURANCE – good to have, especially if you have children not yet out of college. Consider shopping around for level premium term insurance. Consider buying 10 times your annual gross income and have the policy last until you don't need it any more (like when your children will graduate from college).

ENERGY COSTS – Don't forget that if you keep your house (or car) warmer in the summer, not only do you cut down on the energy bill but the temperature is not as oppressive when you go outside. Same thing with keeping it cooler in the winter. Not to mention what you do for the environment.

COLLEGE TUITION – We hear of students saddled with debt that can not get jobs and can't make payments on their loans. Who knows how long until (if ever) the job market will ever return to the American dream. In the mean time, think about state schools with lower costs. The money you save will come in handy for the graduate degree needed to get a job or funding that window of time it takes to find a job.

HOME OFFICE – Don't do this to get a tax deduction (although you might get one). Consider a home office as a no cost way place to start or operate your business (sorry office building landlord). Also a way to make yourself an attractive candidate for employment – if your potential employer does not need to provide space for you, you are more affordable to them.

CREDIT CARDS – A must to have today, but, NEVER carry a balance unless you are in "survival" mode. Personal versus business cards offer much more consumer protection including protection against fraudulent charges. Don't get lured by low rates – that might tempt you to spend more than you should and those rates convert to high rates quicker than you can say deficit spending!

EXCESS ACCUMULATION – When my wife and I relocated our residence to Savannah it really brought to mind how much "stuff" we accumulated (and disposed of). When we make our hurricane preparedness plan, it makes us contemplate what is important. So if you think that blue button down dress shirt is the same one you saw me in last year – it probably is.

OVERCONSUMPTION – If you throw out 20% of the food you prepare, or the food you order, that means that you are paying 25% more for your food (ate 80 wasted 20, 20 vs 80 = 25%). So, don't supersize me, please!