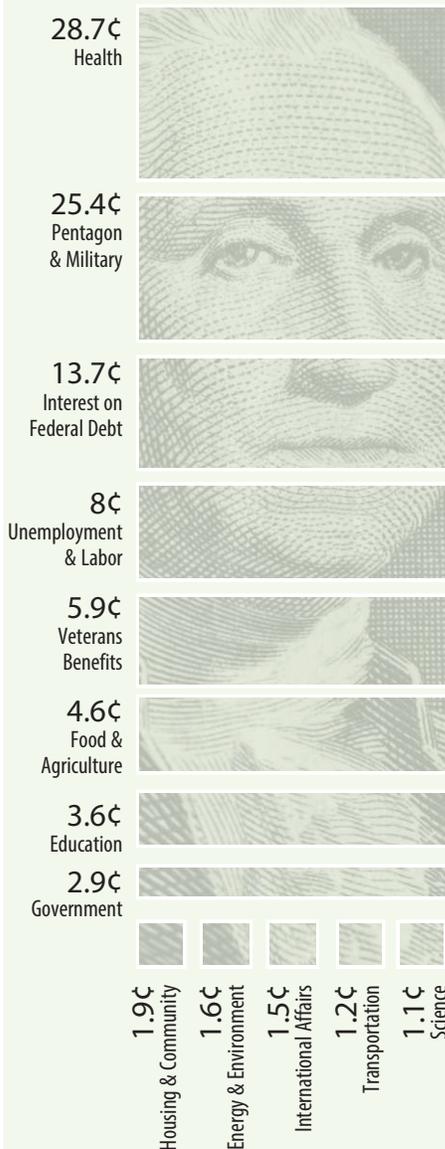


How Are My Tax Dollars Spent?

For each dollar spent in income taxes in 2015, the federal government spent:



Source: National Priorities Project

Are You Ready for Tax Season?

Here's a statistic you may relate to: Twenty percent of people procrastinate by avoiding difficult tasks, like doing their taxes.¹ For many, completing taxes becomes more palatable with preparation. Here are a few steps you may want to take before April:



- 1. Decide how to prepare your taxes.** Will you do it? Will you rely on tax software, or hire a professional? Once you've decided, get prepared by setting aside time on your calendar.
- 2. Gather your documents.** Collect all of the W-2s, 1099s, and other forms, such as 1095 (health insurance coverage), 1098 (home mortgage and student loan interest), 5498 (IRA and Education Savings Account contributions).² Keep them all together in a safe place.
- 3. Review your filing status.** Did you get married or divorced during 2016? Did you have children or become an empty nester? Consider how these changes may affect your taxes.
- 4. Estimate the tax owed or the refund.** The Internal Revenue Service offers a 2016 withholding calculator that can help you determine how much you may owe or how big your refund may be.
- 5. Take steps that may reduce 2017 taxes.** Increase contributions to employer-sponsored plans, IRAs, Health Savings Accounts, 529 Plans, or other accounts that offer tax benefits.

If you're a procrastinator, you may want to keep Form 4868 (Application for Automatic Extension of Time to File) on hand. If you find yourself with just a few days or hours before the tax-filing deadline, you can send it in, along with a check for your estimated taxes, and you'll have another six months to file. ■

None of the information in this document should be considered as tax advice. You should consult your tax advisor for information concerning your individual situation.

¹ PsychologyToday.com. 'Procrastination.' Cited December 23, 2016.

² Bell, Kay. 'Tax documents necessary to file.' January 29, 2016.

New Year's Resolutions or Life Changes?



We've all seen the statistics; very few New Year's resolutions are kept. Unfortunately, not keeping some can have serious long-term repercussions when it comes to your finances. This year, skip the resolutions and

1. Make a Goldilocks budget.

Your budget should be just right — not too generous and not too restrictive. Moreover, stick with it.

2. Take control by spending less. Calculate how much you currently spend on items like coffee, food, dining out, clothing, entertainment, and so on. You may discover some areas where you can cut back.

3. Eliminate Debt. Debt can negatively affect your ability to live the life you want. Take positive steps to reduce debt and pay off a reasonable amount each month.

4. Help improve your financial situation. There are many ways to invest in your future. You can increase contributions

to your retirement plan, or automatically contribute to an investment account, emergency fund, or IRA each month.

5. Monitor your credit report. The major credit reporting agencies are legally required to provide you with a free copy of your credit report once a year.³ Review your report to make sure no one has stolen your identity or opened lines of credit in your name.

Make 2017 a memorable year for all the right reasons. Contact us to learn more. ■

³ Experian.com. 'How to Get Your Annual Credit Report from Experian.' Cited December 23, 2016.

Do you need an estate plan?

An estate plan is necessary if you don't want the state to distribute your assets for you. Here are documents to have in place:

- ▶ A living will describes the medical care you want to receive.
- ▶ A healthcare proxy names someone who can make healthcare decisions for you.
- ▶ A power of attorney names someone to handle financial transactions for you.
- ▶ Beneficiary designations take priority over wills; have the right person named as beneficiary.

