



6 New Year's resolutions for retirement: back to basics

Published: Dec. 28, 2022 at 5:25 p.m. ET

By [Jessica Hall](#)

2022 has been a turbulent year. Here's what you can do to make sure you get off to a good start in 2023.



New Year's resolutions can help you get your retirement savings back on track after a turbulent year. GETTY IMAGES/ISTOCKPHOTO

As we approach the end of 2022 — a year marked by high inflation and turbulent markets — it's a good time for a retirement-planning reset. This year, many experts recommend getting back to basics.

“The same old song and dance is exactly what needs to be done right now,” says Daniel Hawley, president and chief investment officer at Hawley Advisers Wealth Planning. “Be a smarter shopper. Be a better saver. Watch your budget and pay off unsecured debts like credit cards and student loans.”

There are a few other things Hawley recommends, too. “Not panicking is a smart strategy right now,” he says. Also: “Don’t invest in things you don’t understand.”

Here are six things you can do to get 2023 off to a good start.

1. Create — or replenish — your emergency fund

While experts differ on how many months’ worth of expenses you should have on hand in case of need, their basic philosophy is the same: Make sure you have an emergency fund to get you through any unexpected hard times. Some experts suggest setting aside three months’ worth of expenses, while others advocate having enough in reserve to cover your expenses for up to 18 months.

“You want six months or more saved and readily accessible,” says Laura McHugh, vice president and client adviser at Spinnaker Trust. But don’t just keep it under your mattress, she adds: “Shop around for the best place to park this money. It’s not a good year to be complacent. There are savings accounts and short-term accounts paying 4% interest.”

2. Pay off your credit cards

With higher prices caused by inflation over the past year, many people, including retirees, “are racking up credit-card debt,” says Craig Ferrantino, president of Craig James Financial Services. He recommends that you clear any credit-card balances before adding to your retirement fund. “The 18% or more [credit-card companies are] charging you erases any benefit of retirement savings you might be making,” he says.

Better yet, says Hawley, don’t spend more than you can afford in the first place. “You never spend money on credit cards unless you can pay them off each month,” he says. “It’s a mindset issue. Pay careful attention to how you spend money so you can accumulate wealth.”

3. Emphasize your retirement over college savings

“The whole idea of retirement savings needs rebranding,” Ferrantino says. “It’s got the word ‘tired’ in it. It’s about future life planning — putting money away for your future. The mindset needs to change so that you budget for your ‘now’ life and your ‘future’ life.”

Instead of seeing saving for retirement as a chore, he recommends thinking about what the life you want in retirement might look like. Then, he says, “putting money away for your future life ... can seem more exciting.”

And while it’s never an easy balance, he thinks it’s a good idea to prioritize your retirement savings over college savings accounts for your children.

“Before you invest in your child’s future, invest in your own future,” he says. “Parents are the foundation of the family. They need to do everything to take care of the daily cash flow and retirement needs, then put away money for college.”

4. Check your risk allocations

If you’re close to retirement, Ferrantino recommends that you take some risk out of your portfolio. But if your retirement is further away, it’s safer to ride out the day-to-day market volatility, he says.

“Get out of the mindset of trying to find the optimal timing,” he says. “People get stuck in analysis paralysis and need to realize that just the fact that you’re doing something toward saving is a positive thing.”

Hawley, meanwhile, urges people not to try to time the market. “A thousand points comes off the Dow – take a moment to reset your brain and slow your thoughts down so you can make the right decision,” he says. “Studies show most people make the wrong moves at the wrong time. Take a breath. Don’t sell your investment portfolio now.”

5. Give your estate plan a checkup

“People are woefully unprepared for estate planning,” says Morgan Hill, CEO and owner of Hill & Hill Financial. “They did it 15 years ago, they’ve moved, they can’t find it, the beneficiaries may need updating. There’s a lot. Start the year off fresh and look at that,” he says.

McHugh agrees. “Create a will and an estate plan, because you just never know,” she says. “Check your beneficiaries on all your accounts and make sure everything is [the way you want it]. Things change, and you want your wishes to be current.”

6. Get a retirement tuneup with a financial adviser

One of the most important things you can do, McHugh says, is to improve your financial literacy. She also recommends meeting with a few different planners. “Get ideas and talk through some strategies with potential advisers,” she says.

Hill backs up this recommendation. “You need someone to look at your financial life strategically,” he says. “You don’t want to overreact, and you don’t want to just hang in there. Get some advice.”