



## Local CPAs offer tips on improving one's financial picture

In recent years, industry groups of certified public accountants have made great strides to advance financial literacy. Nationally, the American Institute of CPAs is behind the campaign "360 Degrees of Financial Literacy," which aims to educate Americans about financial issues. A component of the initiative, called "Feed the Pig," is aimed at encouraging people 25 to 34 to take small steps to save for the future.

The Business Journal recently asked some San Antonio CPAs what is the most common piece of advice they would offer to others seeking to improve their personal financial balance sheet. Their responses are as follows:

### Conrad Netting Netting & Pace CPAs

For people to improve their financial literacy, and indirectly their personal balance sheets, our best advice is for them to learn all they can about proper long-term investing. Topics might include asset allocation (how much to allocate to equities, fixed income and cash), diversification (investing in U.S. and foreign, and in all sizes of companies) and



mutual fund selection (top quartile performance for five years, long-term manager and low expense ratio). Once invested, people should revisit their allocations annually. Only then should they rebalance to the original allocations.

### Kim Ford Hill & Ford PC

The best advice I can give to anyone who wants to improve their personal balance sheet, and overall financial peace of mind is to spend less than you earn, and work hard to avoid the trap of conspicuous consumption.



### Jim Oliver Jim Oliver & Associates PC

The purpose of improving your personal financial balance sheet is eventual financial security and success. Some key steps:



1. Save emergency funds of one month's pay.
2. Pay off all non-mortgage debt starting with smallest and accelerating to largest.
3. Build emergency savings to six

- month's pay.
4. Invest 15 percent of income for retirement.
5. Target paying off home early.
6. Invest the excess for your family's future.

Remember: Today's short-term sacrifice will pay off with long-term success in the future, with less stress and far more than you ever dreamed possible.

### Julie Norton Carneiro Chumney & Co. LLC

Deferred gratification ... a thing of the past? Some might say that discipline is the key when it comes to improving one's personal balance sheet. While discipline is definitely a factor, planning is imperative. One of the biggest temptations individuals face with their personal finances is spending money that they don't have. The best rule of thumb — if you can't pay for it, don't buy it.



However, if credit is something that you cannot avoid, you should put a reasonable limit on your charging. By keeping your debt situation under control, you can start thinking about investing for your future.

This brings us to savings. Forced savings

in particular are extremely effective. If you have an employer with a 401(k) or salary reduction plan, you should take advantage of this benefit by putting a certain amount away for long term investments. This is probably one of the best things anyone can do.

### Paul Oroian Oroian Guest & Little PC

People have to get back to basics. Ninety-nine percent of financial planning and security is living within your means and saving on a regular and continuous basis. Simply stated, if you make \$20,000 a year, don't spend \$25,000. You cannot save and invest if you are spending more than you make. The truth is that getting into debt can be a lot of fun. You want something, just pull out the card. Getting out of debt is no fun at all. Too often today, we define our success and happiness by the things we own, the type of cars we drive, the Starbucks cup we carry around or how many trips we took this year. These are not the things that make families strong or form a sound foundation for financial independence.

