



For the health of your wealth

Do you want to take control of your financial life? It's up to you to understand your own money, says investment advisor Paul Taylor, a member of the National Ethics Bureau. Taylor offers the following suggestions:

For your cash flow, keep in mind the four A's: Accounting, Analysis, Allocation, and Adjustment. The four A's describe a systematic and disciplined approach to your daily, weekly, monthly, and yearly spending habits.

- **Accounting** involves gathering all your relevant financial information—income, recurring bills, and other expenditures—creating a central list of each item, and pulling it together in a place where it's easy to find.
- **Analysis** is reviewing the information to determine whether you have a shortfall or surplus, and finding places to reduce expenses. Saving \$100 a month on dining out, for instance, would allow you to apply \$100 to your mortgage loan principal, saving you a substantial amount in interest payments.
- **Allocation** involves determining your financial commitments and priorities, needs versus wants, and distributing your income accordingly.
- **Adjustment** involves periodic reviews of your financial information and shifting assets to meet changing needs.