Announcer: The Missouri State Journal, a weekly program keeping you in touch with Missouri State University.

Emily Yeap: During the holiday season, it's easy to get carried away with celebrating and spending. But with 2017 coming to a close in a couple of weeks, this is the time to perform a financial health checkup. Knowing where you stand on your finances before year-end is a smart move to make. I'm Emily Yeap.

 Joining me today is Dr. James Philpot, a certified financial planner and associate professor of finance and general business at Missouri State University. He explains why such a checkup is beneficial.

Dr. James P.: Well, it really is just like getting a roadmap. You don't know where you're going to be going, how to get there, if you don't know where you are at the moment. If you do some sort of year-end financial checkup, it could be you're creating your personal balance sheet, it could be that you're just reviewing life changes that happened to you during the year that might indicate some financial decision making, or it could be just looking at spending or taxes so you know where you are. It can help you decide whether you're meeting goals, it can help you set goals, it may even keep you out of trouble or point out some new opportunities for you.

Emily Yeap: While there are many financial steps to consider, Philpot suggests a few to keep in mind.

Dr. James P.: About this time of year, most of the people and most financial advisors are thinking about income taxes. I'll go back one step and I'll just say, make sure that you've paid your property taxes for this year. Those come due in Missouri on December 31, and it's an easy thing to forget and you don't want a penalty. On the income tax side, if you are in a wage earning job and you may have some work on the side that's not being withheld, you may want to check, do a quick tax estimate to make sure that you're being withheld enough to cover your total taxes. Also, if you are a retiree, you're over age 70 and a half, make sure that you're taking your required minimum distributions if you have an IRA account. You don't want to be hit with that penalty. It's a very severe penalty.

A lot of times we try to sell our loser investments this time of year if we can take a tax lose to reduce income, or maybe to reduce some gains that we took earlier in the year. Another real common tax play is check your flexible spending accounts at work. Those are use it, lose it, and it's much better to buy that extra set of eyeglasses and use the money, or to go get an extra wellness exam, or something, than it is to just lose that money completely.

Emily Yeap: Philpot has this advice for people who have not met their financial goals this year.

Dr. James P.: Take heart. Financial goals are very much like say, weight loss goals, or fitness goals. As long as we're trying, we're probably getting better results than not trying, even if we fail. Another thing though, a lot of people have unrealistic financial goals for themselves. It's not a bad thing if you're not meeting your financial goals to just take a serious look and ask yourself, "Is this really a realistic goal?" Another thing to do, some people have more goals than they really can meet at one pop. They may have a retirement goal, and they may have a college financing goal, and they may have a pay down debt goal, and who knows what else?

 There's not the cash flow to hit all of those, unfortunately. We have to prioritize and just basically select the goals that are most important to us. I would also encourage someone who's really serious about meeting some financial goals and seeing really where they are financially, to go talk to a professional. There are a lot of fee-based financial advisors, and financial planners around, who will look at your situation and tell you where your strengths and weaknesses are, tell you how realistic your goals are, and that can be done for a very reasonable fee.

Emily Yeap: To start off 2018 on a positive financial footing, Philpot cautions overspending on holiday shopping.

Dr. James P.: Control the Christmas holiday spending. Christmas comes along, of course it's the biggest time of the year for the retailers. This year the retailers are, in my opinion, I believe expecting a very big season. If we give them that big year, then that's fine, but often times we get caught up in things. For example, we pay more attention to what the stores tell us we've saved than we pay to what we spent, or we just simply go overboard with the gifts, go overboard with the food, and festivities.

Emily Yeap: That was Dr. James Philpot, certified financial planner and associate professor of finance and general business at MSU. I'm Emily Yeap for the Missouri State Journal.

Announcer: For more information, contact the office of University Communications at 417-836-6397. The Missouri State Journal is available online at KSMU.org.