



# Begin the New Year by Planning Your Financial Future

The start of a new year is a natural time for Texans to pause, reflect, and take steps to improve their financial well-being. One of the most important steps families and individuals can take is creating, or updating, a financial plan.

Recent research underscores why this matters. **Nearly half of Americans still do not have a written financial plan**, yet those who do report significantly higher confidence and peace of mind about their financial future. In fact, **more than nine in ten people with a written plan say they feel confident about reaching their financial goals**.



## Five Steps to Financial Security

1

### **Write down your goals**

Clear short-, mid-, and long-term goals help turn intentions into action, whether that's establishing a budget, saving for a home or education, or preparing for retirement.

2

### **Track spending and create a budget**

Budgeting provides visibility into where money goes and helps households spend less than they earn. This discipline is often the foundation of long-term financial success.

3

### **Plan for the unexpected**

Unexpected expenses are common, with an estimated 50-72% of Americans experiencing a financial setback within the last two years, many relying on emergency savings to manage the impact. Maintaining a 3-6 month emergency fund and appropriate insurance coverage helps families weather these events without derailing their plans.

4

### **Invest early and consistently**

Saving for retirement takes time. Taking advantage of employer-sponsored plans and allowing investments to grow over time can make a meaningful difference in long-term outcomes.

5

### **Review and adjust regularly**

Financial plans are not "set it and forget it." As life changes, plans should evolve to reflect new goals, responsibilities, and opportunities.

# Insurance and Financial Products: Building Stability for the Unexpected

Incorporating insurance and financial products into a financial plan is a critical way to protect assets and manage risk. These tools add predictability and help families remain financially stable when life doesn't go according to plan.

## Life Insurance Options

- Term
- Permanent
  - + Whole life
  - + Universal
  - + Variable
- Pre-need funeral
- Credit life

## Annuities

- Fixed
- Variable
- Equity-indexed

## Supplemental Benefits

- Cancer coverage
- Vision & dental\*
- Long-term care
- Short- and long-term disability\*
- Group paid family leave
- Accidental death\*

\*Optional benefits available to state employees through ERS.



Life insurance has provided financial protection in the United States for centuries and today safeguards families and businesses through more than **11 million policies in effect in Texas.**

As Texans live longer, annuities can also play an important role by providing **guaranteed income in retirement**, helping individuals reduce the risk of outliving their savings.

Supplemental benefits further help families **manage out-of-pocket expenses not covered** by primary insurance, from medical co-pays to unexpected caregiving or recovery costs.

## Providing Options for Texans

At the Texas Association of Life and Health Insurers, we work with state leaders to ensure these financial protection tools remain accessible, affordable, and responsive to the needs of Texas families and employers. We look forward to continuing those efforts in 2026.

Starting the new year with a financial plan, or revisiting an existing one, is a meaningful step toward long-term financial security.



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