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Dollar Scholar Asks: What's 'In' and 'Out' for Your Money in 2023?

If you've been online lately, you've surely seen in/out lists where people declare — based on fact, aspirations or personal preference — what'll be "in" and what'll be "out" this year. A quick sweep of Twitter indicates white wine, chess, carrying a pocket watch and stained-glass windows have all been deemed cool for 2023. Leather, Pete Davidson's PR relationships and sports betting are decidedly less on-trend.

I thought it'd be fun to compile my own list with a Dollar Scholar spin. So I asked a bunch of experts: What's "in" and "out" for money in 2023, and why? Here's what they said.

IN

HSAs — Rob Grubka, CEO of workplace solutions for Voya Financial, tells me via email that health savings accounts "provide a variety of pertinent benefits, including portability in today's churning job market, triple tax advantages and the ability to be tapped for emergency health costs like an unplanned hospital stay."

Plus the contribution structure is flexible, and unlike FSAs, the funds roll over year to year. He's right that they're hot: By one count, the number of new HSAs increased by 8% in 2021, a trend that Grubka says "is only expected to continue."

Saving for retirement — Catherine Valega, a certified financial planner in Massachusetts, says the IRS recently released its 2023 contribution limits, and thanks to inflation, they're pretty high. People under 50 can put away up to $22,500 in their 401(k)s, and people over that can save $30,000.

Seeking professional help — I'm talking about financial advisors, not therapy. (But that's great, too.) "If you don't know where to start, consult with a pro… preferably someone who didn't randomly pop up in your TikTok FYP," says Jorey Blake, financial advice expert at Albert.

Long-term, passive investing — Corbin Blackwell, a senior financial planner at Betterment, says to set up a "diversified portfolio that can help you grow your money for the long term without having to stress about picking stocks on your own or reacting to market volatility."

***The Psychology of Money* by Morgan Housel —** Because, as Blake says, "behavioral finance is just as important as the money behind it."

Enjoying your hobbies — Pennsylvania CFP Jessica Goedtel says to leave the I-must-have-a-side-hustle mindset in 2022. "We've been through enough over the past few years," she writes. "Why are we trying to squeeze money out of everything? The next time someone pushes you to monetize something you do for fun, tell them no thanks."

Overfunding 529 plans — Ann Reilley, a CFP in North Carolina, says I no longer have to worry that I'm putting cash that'll never get used into a 529 plan for educational expenses. Starting in 2024, I'll be able to roll over as much as $35,000 of unused 529 money into a Roth IRA tax-free.

OUT

Focusing on others' progress — Callie Cox, U.S. investment analyst at eToro, says prioritizing my own goals is paramount. "Honestly, this is the way it should be every year, but I think 2022 reminded us just how important it is not to blindly follow other people's money moves," she writes in an email.

Community can be helpful in sticking to my plans for budgeting or boosting my confidence while investing, but I should be careful not to follow the crowd at the expense of my own objectives. And if I'm a long-term investor, Cox says it could be particularly advantageous to go against the grain.

"Bear markets can be opportunities in disguise," she says. "Some of the most well-known companies are 20, 30, 40% off their highs, and [if] you think they can make it through this crisis, they're essentially stocks on sale."

Jim Cramer — No shade to the CNBC host. Blake simply points out that while "fun TV personality insights can be useful," they're not always "the best for personal guidance."

Saying "I'll do it tomorrow" — When it comes to financial tasks, procrastination is my greatest enemy. Blake says it's easy for tomorrow to become next week and next week to turn into next month. Then all of sudden, it's the end of the year "and you have no foundation laid for your roadmap to financial success."

Blake says it's OK to start small if I'm feeling intimidated. If I can't put away $1,000, it's fine to stash $100. Because time is so crucial when it comes to saving and investing, the most important part is just… starting.

Active day-trading — Unless I'm a seasoned expert, timing the market is a losing strategy. "Creating a portfolio that you can stick with through thick and thin generally leads to better returns than churning your portfolio," Blackwell says.

Putting up with low rates at local banks — Nationwide, the average interest rate for savings accounts is 0.3%; on the internet, it's much higher. Valega suggests researching online banks that offer impressive APYs on their high-yield savings accounts. (For instance, Ally customers get a whopping 3.3%.) The interest rate environment is favorable, and I should take advantage of it.

Paying off my mortgage early — Janice Cackowski, a CFP in Ohio, says that leveraging my debt is the way to go right now.

"With many people having a sub-3% mortgage rate, the idea of paying that debt down early may not make sense anymore," she adds. "High-yield savings accounts, CDs and Treasury bonds are paying more than that today. It may make sense to 'save' rather than pay down debt."