

HOW TO DEVELOP POSITIVE FINANCIAL HABITS

FINANCIAL COACHING CORPS CONSUMER FACT SHEET #2

What are Your Financial Goals? Write down your goals in priority order to ensure that you focus on the ones that are most important to you.

Get Organized Maintain a record of monthly bills, bank statements, credit card information, and tax information. Create a method that will remind you to pay your bills on time. Open your mail and read it! Dedicate time each month to review and organize your finances.

Create A Budget Track your monthly expenses, evaluate your spending habits, and make adjustments as needed. By making a spending plan, you will know where your money goes, manage your finances more efficiently, and free up dollars to increase saving toward your financial goals.

Open a Bank Account Financial empowerment begins with managing a checking account. You should seek out an account with no overdraft fees and low monthly fees . Your account will be easier to manage if you set up your paycheck or other income as a direct deposit into the account.

Emergency Fund Expect the unexpected. Job loss, medical expenses, or auto repairs are examples of why you should have an emergency fund. Experts recommend having between 3 to 6 months' worth of living expenses set aside. But even one month of emergency savings can prevent a crisis.

Pay Down Your Debt Create a plan to prioritize your debts, then develop a logical and reasonable repayment schedule. Prioritize child support, tax, and student loan debt, then pay down debt in order of interest rate. Avoid expensive debt consolidation and debt settlement companies.

Improve Your Credit Having good credit will help you get better rates on loans and credit cards or even to qualify for housing. Access your free credit report at least once a year to check for errors or identity theft. Identify problem accounts and resolve to address issues like chronic late payments or maxed out cards. Work with a financial coach to help you address derogatory items.

Save and Invest for the Future Beyond an Emergency Fund, begin to set aside money regularly to help you meet your goals. You can make your savings dollars grow by opening a bank account that earns interest, like a Certificate of Deposit (CD) or a Money Market Account. Invest your money to prepare for retirement. There are a wide array of options for investment, including: (Individual Retirement Accounts) IRAs, mutual funds, stocks and real estate. You should always seek guidance from a certified financial planner or financial counselor before investing your money.