

HOW TO ACHIEVE FINANCIAL STABILITY IN 5 STEPS



If you are like most people, you are probably worried about your finances for one reason or another. Bad money habits and poor decision making can lead to poor financial health over time. But fear not, here are five simple steps you can take now to achieve financial stability.

1 Think about the future you

What are your goals? Do you want a house or a new car? To be debt free or even retire in Hawaii? If you're serious about achieving your goals, write them down and make detailed plans to achieve them. Remind yourself every day of what you're working towards. If you don't know where to start, saving for retirement is a goal everyone should have. Find out how much you need to save and make the commitment - even if you have to start small. Your future self will thank you.

2 Pay attention to your money

Most people are willing to make changes if they knew exactly what to change and how. Unfortunately, not many people pay enough attention to know where to start. So, whether you're paying rent or buying a coffee, try keeping track of all your expenses for an entire month. You might be surprised how easy it is to cut things here and there while maintaining your lifestyle. A budget is your best friend for tracking your money and there are many free tools to help you create and stay on top of a budget.

3 Give yourself some breathing room

Nothing is worse than being forced to use your credit card to cover an unexpected expense, especially if money is already tight. Aim to have 3 months worth of living expenses saved and set aside a little money each month until you reach that goal. Even if you are focused on paying down debt, it is a good idea to put a little money away each month towards building an emergency fund. Just think about how well you will sleep at night with that safety net available.

4 Pay down debts and borrow responsibly

Always try to pay off your credit card balances in full each month. If you already have credit card debt you want to pay down, avoid using those cards until you can pay them off each month. You can use a budget to make a plan and stick to it. It is also a good idea to access your free credit report once every 12 months to make sure the information is accurate and target areas to improve.



5 Make it automatic

Take advantage of services that automatically take care of your normal monthly transactions. It can end up saving you a lot of money! For example, automatic bill-pay can help you avoid late payments and the fees that follow. It is also a good idea to set up direct deposit to automatically send a portion of your income into a separate savings account. Set up these automatic transactions, monitor them regularly and watch your money work for you!