

7 New Year's Resolutions For A Richer 2017

The New Year is a great time of renewal. That makes it a good time to make bold, decisive changes in your life. Leave behind the baggage that was 2016 and start fresh with a blank slate in 2017. If you're looking for some resolutions to improve your personal finances, we're pleased to offer seven ways to make 2017 the year of the dollar!

1.) Track your spending

If you're looking to take your first steps toward financial literacy, figuring out where your money goes should be at the top of your list. If you don't know where your money goes, it's going to be tough to follow through with any other money plans. You may have a general sense of how much you spend, but after a month where you've recorded every dollar, you'll have a much better picture. Using apps like Mint or Personal Capital can automate the process. You might even find that keeping track of what you do with your money encourages you to spend a little more judiciously.



2.) Make a budget

About 70% of Americans live financially spontaneous lives. They don't make a plan for spending or saving. When asked why they chose not to do so, the most common response was that the family spent all the money anyway. This is a circular problem. If you don't have a budget that includes setting aside money for long-term expenses and savings, you'll end up spending all your money on unplanned things and events. The best way to stop the cycle is to sit down and make a budget that modifies your spending to be more in line with your priorities.

3.) Get out of debt

Easier said than done, right? However, there's no bigger stumbling block to financial security and wealth building than debt. It's hard to save for long-term goals when so much of your monthly income gets eaten up by interest and fees. There are a variety of methods you can use to help accelerate your payoffs. For instance, you can add an extra \$50 or \$100 to your credit card payments. Or, you can focus all your payment resources on the highest interest debt until it's paid off and then move it all to the next highest for snowballing your way to freedom from debt.

4.) Start an emergency fund

The best way to avoid going into debt is to have some money on hand to handle the occasional, yet inevitable, emergency. Most Americans, though, can't come up with \$500 in such instances. Set a specific goal, like adding \$10 per month to a savings account. At the end of the year, you'll have more than \$100 available in case something goes wrong.

5.) Start a retirement account

You can't save for what you don't think about. When retirement is years or decades away, it's difficult to incorporate thinking about it into your daily routine. If you have a retirement account open, you'll get monthly statements, which serve as reminders. The challenge, though, is taking that first step. Don't let perfect be the enemy of good. While there are important differences between Roth and Traditional accounts, either one is better than no retirement savings at all. If your job offers a 401(k) matching program, sign up to get at least the full matching funds amount – it's free money. Do a little bit of research, then open the account that seems like the best idea.

6.) Automate your savings

Saving money takes willpower. Because it's hard to practice self-denial on a constant basis, that extra \$5 you've earmarked for savings can very easily turn into a mid-morning coffee. Fighting that impulse is a constant struggle. That's why it's easiest to avoid the decision altogether. Change your direct deposit to put some of your paycheck directly into a savings account, where you won't even think of spending it impulsively.

7.) Get educated

Knowledge is power, and that's especially true in the world of personal finance. What you know about your money goes a long way toward determining how much of it you get to keep. There's a lot to learn, but you've got a wealth of information at your fingertips. Resolve to read one personal finance article a week. Not only will this give you good ideas for improving your personal financial situation; you'll also spend more time thinking about your money. That'll lead to positive results down the line!

Happy New Year from all of us at MembersAlliance Credit Union. We hope you have a safe, happy and prosperous 2017!

SOURCES*:

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