

Tips for

FINANCIAL RESPONSIBILITY

If thinking about money makes you feel stressed or anxious, learning basic skills and creating a framework for how you spend your money will empower you to make smarter choices and become financially independent.

Examine your spending and saving habits, and use these tips to help you set simple, straightforward financial goals.



Pay at least the minimum monthly payment on all of your bills on time

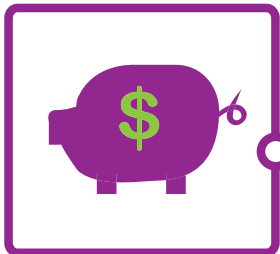
Your credit history plays an important role as it impacts everything from getting a loan to purchasing a home or car. The number one factor that influences your credit score is your history of on-time payments of your bills. Pay your bills on time to maintain a healthy credit score and save headaches down the road.

For ease, automate payments or set up a calendar alert a week or so prior to the due date so you can plan accordingly.



Establish an emergency fund of at least \$2,000

While three to six months of income for an emergency fund is ideal, it's not a realistic goal for everyone. Start with a goal of \$2,000 if that is more manageable. If an emergency situation should arise, whether it's a last minute visit to a sick relative or a surprise plumbing repair, you will be prepared to deal with the unexpected expense.



Take advantage of free money toward your 401k!

If you work for an organization that offers a 401k and they have agreed to match a certain percentage of your contributions, contribute at least that percentage. (Most companies will match up to 5%.) It is a guaranteed return on your investment, so get on board!



Pay down credit card debt

If you have credit card debt, use your cash to pay it down. If your debt is between \$0 and \$3,000, add an extra \$50/month to your minimum monthly payment. If your debt is between \$5,000 and \$10,000, add an extra \$100/month. If it's over \$10,000, add an extra \$150/month. Depending on your interest rate, you should have that debt paid off in 3-5 years and you can breathe a sigh of relief!



Spread "extra" money across your savings and put it into three main buckets: emergency fund, nearer term needs, and retirement savings

Consider increasing your emergency fund beyond the \$2,000 and put a third of your "extra" money there. Then, put another third toward nearer-term needs such as school or a car down payment, and put the final third toward retirement savings (401k or an IRA).

Adapted from Manisha Thakor www.moneyzen.com