



Good Financial Habits

Here are some steps you can take today to plan for financial independence tomorrow.

Be a Generous Giver

Give with a pure heart - When giving, do not give to make money or earn favor... "Give and it will be given to you. A good measure, pressed down, shaken together and running over, will be poured into your lap. For with the measure you use, it will be measured to you." Luke 6:38 (NIV)

Become a Saver

You'll want to save for a variety of reasons. Three of the most important are retirement, emergencies, and major purchases.

Retirement

Fortunately, the government is beginning to realize that reality and has begun providing vehicles for retirement savings. 401(k) and 401(b) plans are workplace-based programs. IRA's come in a variety of forms. Which variety may be for you depends on your individual circumstances.

If you haven't done so already, check at work to see what is available. If no vehicle is available at work, check out IRA's. Sites like msn.com and quicken.com will explain the basics to you. Don't feel that you need to put in the maximum if you can't afford to. Start with something, however.

A Reserve for Emergencies

You're driving along and suddenly your car starts making a new noise. You go into your mechanic and you find out that noise is a symptom of a \$500 problem.

The more you live life, the more situations like this you will find yourself in. Once you become a homeowner, not only the car, but the water heater can blow as well.

Financial experts say that you should have from two to six months in a reserve to cover unexpected expenses. Even if you can't build that all up at once, start with a little bit each paycheck.

This money should be in a savings account and not in the market. Your car may not be considerate enough to wait for the market to rise before it goes out.

Savings Toward a Goal

Once you've begun putting a little away for retirement and have set up a fund for emergencies, start saving toward a goal. Want a new car? Want to go on a cruise? Start putting away a little each month.

This money should not be in stocks, though a short-term bond fund may be okay if your goal is more than four or five years away. Money market funds, CD's, and savings accounts are good vehicles for this type of savings.

Try to Avoid the Debt Habit

People get in the habit of borrowing thinking that they can pay it off easily. Then they hit a bump in the road and what they thought was going to be a small payment becomes overwhelming.

Few of us can buy new cars for cash and even fewer of us can become homeowners without a mortgage. Sometimes it does make sense to finance a purchase, but look for other ways of getting money for purchases before you borrow.

Save for what you want. This approach may mean a little more work and putting off your purchases for a few months, but down the road you'll find the financial freedom extremely satisfying.

Cut Costs to Reach Your Financial Goals Faster

It's amazing how fast money can slip through our fingers. Get in control of some of that spending and you'll be able to reach financial goals sooner. Here are a few ideas that might help

- Avoid the fast food trap.
- Use grocery coupons A single person can easily save \$80 a month on grocery coupons.
- Buy when on sale
- Consider buying gently used item

Budget, Budget, Budget!!!

Have a plan for your money.

As you begin your financial management, you have the opportunity to form habits that will last you a long time. Save, stay out of debt, and become a wise consumer and the freedom you experience will be worth the little bit of extra effort and sacrifice necessary to stay in the black and stick to your goals.