Money Morning Money Sense #MoneyCoachBill.org

Resource: Money Sense for Young Professionals by William Stanley

**Money Sense – The Top Fifteen Tips**

#1 “How you handle your money is based mostly on attitude and common sense.”

If things are not going in the right direction, it is time to identify and acknowledge mistakes and then change the way you do things.

#2 “Understand it is your money and your responsibility.”

Discuss family finances with your partner on a regular basis. Don’t be afraid to seek assistance. If you need outside help, use a fiduciary.

#3 “Write down your money goals” both short term (use shopping list at grocery store; don’t buy anything not on list) and long term (% for next vacation and retirement).”

#4 “You must know where your money goes”

Track each dollar spent by category. Compare average total spending to net monthly income. Spending must be in line with your goals and your income. Develop a budget and stick to it.

#5 “Whenever you buy something, ask if you can get a discount or a better price”

Veterans, students, seniors. When I board an airplane, I ask to go on early as a veteran. When I lived in Africa, I learned you can bargain for just about anything. Just ask!

#6 “You must have an Emergency Fund”

Money set aside to cover unexpected expenses not in your budget. How much depends on your situation. Minimum for most is enough to cover 6 months of expenses.

#7 “Do not use a credit card if you cannot pay the bill each month.”

If you cannot pay your monthly bill, you are in major financial trouble right now. Declare an emergency. When in a hole (overspending), stop digging (spending).

#8 “Do not use a "windfall" of cash (tax refund, IRA withdrawal, inheritance, lottery win) to pay off a money problem (overspending) without first solving the money problem (stop overspending)”

#9 “Manage your saving & investments carefully.”

Save & invest, both regular & retirement accounts. Diversify> stocks, bonds, cash, "other." Rebalance yearly. Understand fees. Never invest if: don’t understand it; has sales charge/ surrender fee, seller makes commission, sounds too good to be true.

#10 “Healthy is more important than Wealthy.”

Have adequate health insurance. Eat well. Exercise often. Don’t smoke. Don’t drink much. Don’t do drugs. Don’t talk on cell while driving.

#11 “Your credit reports are important”

Not only when buying house/car. Also, prospective employers, insurance. No secret to repairing bad credit>start by paying your bills on time (largest component of credit score). Check annually 877-322-8228

#12 “Save a little money each pay check for a long time.”

#13 “It is not how much you make; it is how much you spend.

#14 “The secret of making money is “go to work.”

Your best investment is a good education. But don’t borrow in student loans more than you can pay back in 1-3 years after graduation. Often, the best education is foreign travel. Get on a plane.

#15 “When it comes to your money, you have choices:” You can do things that will benefit you now and in the years ahead or you can do things that will harm you. Your task is to know the difference and make the right decisions.

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First published May 2020 as “Money Sense for Veterans” Published LinkedIn June 2, 2020 https://www.linkedin.com/feed/update/urn:li:activity:6673585672303058944/