

7 Resolutions For A Richer New Year



The New Year is a time of renewal; use it to make bold financial changes. If you're looking for resolutions to improve your personal finances, check out these seven ways to make this the year of the dollar!

1. Track your spending

Determine where your money goes. Carefully record every dollar you spend for a month; apps like Mint can make this process automatic. Keeping track of where your money ends up may ultimately encourage you to spend more judiciously.

2. Make a budget

About 70% of Americans live financially spontaneous lives, without planned spending. This is a circular problem: If your budget doesn't include setting aside money for long-term expenses and savings, you'll end up spending everything on unplanned things and events. Stop the cycle by creating a budget that modifies your spending to be more in line with your priorities.

3. Get out of debt

The biggest stumbling block to financial security and saving toward long-term goals is debt. Make the move toward debt reduction this year by adding an extra \$50 or \$100 to your credit card payments. Alternatively, focus all your payment resources on the highest-interest debt until it's paid off, then move on to the next highest.

4. Start an emergency fund

The best way to avoid going into debt is to have some money available to handle the occasional, yet inevitable, emergency. 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

When you have a retirement account, your monthly statements serve as reminders to think about and plan for your retirement. The challenge, though, is taking that first step. Don't get hung up on perfection; any kind of retirement account is better than none. 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 bit of research, then open the account that seems like the best idea.

6. Automate your savings

Fighting that impulse to spend what you've earmarked for savings is a constant struggle; it's easiest to take the decision out of your hands. Change your direct deposit to put some of your paycheck directly into a savings account, where you won't even think about spending it impulsively.

7. Get educated

Knowledge is power, and that's especially true in the world of personal finance. There's loads of information out there; resolve to read one personal-finance article a week. This will give you great ideas for improving your financial situation.

All of us at hope you have a safe, happy and prosperous new year!

Your Turn: What resolutions are you making this year? Will this be the year you join a book club, quit smoking or spend more time with your family? Let us know in the comments!