



Financial Tips for a Better Future

We all tend to develop habits when it comes to managing our money. Whether these habits are bad or good, once developed they can be hard to break. Building good financial habits can provide a solid sense of control for your life, leading to a brighter future! Here are ten tips that can help you build a sound foundation for reaching all your financial goals:

- 1. Make sure your financial information and records are organized.** Knowing where important financial information is located and having a system for paying your monthly bills will save time and aggravation.
- 2. Use direct deposit for your paycheck.** Direct deposit saves time, gets your money working for you faster, and is safe. Simply provide your financial institution's routing number and your account number to your payroll department or other source for setting up electronic payments.
- 3. Use automated savings plans to save for near term purchases and long term financial goals.** This involves setting auto transfers up online or having LSCU transfer a set amount each month into an account you designate—special savings, IRA, money market, etc. It also includes participating in your employer's retirement plan to save for your retirement.
- 4. Prepare a household spending worksheet.** The process of preparing a spending worksheet will help you identify potential areas for reducing expenses. You would be surprised how quickly small daily purchases for 'miscellaneous' items adds up. Work on learning to save this discretionary income instead.
- 5. Prepare a personal balance sheet periodically.** Having a current personal balance sheet can be handy when you are considering applying for a loan. Over time, you will be able to monitor your progress toward your long term financial goals. Research the value of your home, your cars, 401k's, and any other 'assets'. Debts you owe are 'liabilities'. Any amount left over after deducting liabilities from assets is your 'net worth'.
- 6. Reconcile your checking account at least monthly.** This avoids bouncing checks and fees that may be charged if your balance is too low. It is much easier to do this every month than to skip a month or two and then have to deal with multiple statements. Online banking also makes it easy to check in more than once a month to make sure you are not overspending. See our helpful checking reconciliation page for additional information.
- 7. Review all your bills and statements as soon as you receive them.** Even if you are not going to pay the bills immediately when you receive them, by reviewing your bills and statements you can identify and correct any errors.



8. Make credit card payments promptly and pay more than the minimum. Avoid late payment fees and reduce the amount of interest you may owe on unpaid balances by making sure your payments arrive before the due date. Paying only the minimum will cost you more interest and it will take much longer to pay off the balance.

9. Be sensitive to fees. Be sure to understand any fees that may be charged on your checking or savings accounts. There is no sense in paying fees if you do not have to. Do you have sufficient average monthly balance for the checking account type you selected? Do you have a balance that could qualify for more free services (no charge for ATM use, etc.) of a higher tier checking account? Ask us to explain any fees you have incurred and offer suggestions for how to avoid them.

10. Learn more about handling your finances. The more you know, the easier handling your finances will seem. Try to read the personal finance columns in newspapers or perhaps even subscribe to a personal finance magazine. Find out more about your credit score.