

Your Money

Practical Steps To Better Money Management

(NAPSA)—Investing a little time and effort to cultivate a healthier relationship with your money can pay dividends in more ways than one.

That's the word from the experts at Springleaf Financial. Here are their tips for managing your money:

• **Gather the right tools.**

There are a number of free online tools designed to help people create budgets and make better saving and spending decisions. Take a look at what's available to find the right tool for you.

• **Run the numbers.** Use the available budgeting tools or make a simple list to track where you spend your money. Include categories such as groceries, gas, utilities, entertainment, housing and debts.

• **Face the facts.** Once you've taken a look at where your money goes, you have to distinguish between things you "need" (for example, utilities, debt payments and rent) and things that would be "nice to have" (for example, eating out). Consider credit card minimum payments and loan payments as fixed expenses in the "need" category, to avoid costly mistakes and missed payments. Subtract what you have to spend on "needs" from your monthly income to determine what you have left for "nice to haves."

• **"X" out the extras.** Once you've identified how much you can spend on "nice to haves," look at what you'll need to cut. Going out to eat, clothes shopping and travel are items that can add up and may need to be reduced or eliminated to maintain your budget. Take a look at how much you're spending on these non-essentials each month—and how far over budget you go each month.

• **Look forward.** As you create your monthly budget, try to anticipate your long-term or reoccurring costs. Is your car getting old and needing more trips to the repair shop? Are the holidays approaching? Are you planning your next vacation? The experts at Springleaf Financial believe effective budgeting is a way of life. It involves looking at each month, as well as thinking "big picture" about financial needs. This will



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also help you avoid using credit cards to pay for one-time expenses.

• **Find a balance.** Saving is a crucial part of effective budgeting—consider it a "need." Investigate available savings options, such as a simple savings account or certificate of deposit (CD), or contributing to your company's 401k or Roth IRA that can help your savings grow. Whichever way you choose, identify what you can save monthly and stay consistent. Try to pay yourself first by setting aside savings before spending on things you want but don't need.

• **Expect the unexpected.** No matter how well you budget, life may throw the unexpected at you. It's important to prepare for these difficult situations by understanding your options. If you don't have enough savings to manage an unexpected expense, you may need to consider borrowing. Choose a type of loan or credit card that offers low interest rates and fees (APR), and establish a plan to pay it back as quickly as possible.

• **Stick with it.** The most important part of budgeting is staying committed. Once you've identified the tools you need to monitor your spending, determined what expenses can be adjusted in order to stay within your income, made the necessary adjustments and started saving, your job is to stay on track. At the end of each month, take time to prepare for the coming month and anticipate any large-scale future expenses so there are no surprises and no errors.

For more information, visit www.springleaffinancial.com.