

# THE TOP 6 THINGS YOU NEED TO KNOW ABOUT PERSONAL FINANCE



1. **How to budget:** The best way to understand your personal financial situation is to calculate how much you earn each month, and where all your money goes (i.e., how much you spend on recurring bills, entertainment, and living expenses such as housing, food, clothing and utilities). Make a simple spreadsheet and enter all your income and expense information in an easy-to-follow format. Then, track your expenses and don't spend above your budgeted amount. Keep your budget realistic and you're more inclined to follow it.
2. **How credit works:** Credit is a contractual agreement in which a borrower receives something of value now and agrees to repay the lender later. It often materializes in the form of credit cards, or loans for a car, home, or education. But there are costs associated with using credit, so it's important to compare the cost of various credit options before making decisions. Also, you must only utilize credit in a way that you don't accumulate more debt than you can afford to repay.
3. **How to check your credit report:** Maintain good credit health by verifying the accuracy of your credit report regularly. Request an annual free copy of your report and ensure all the information listed is accurate. If it's not, take action now to correct it.
4. **How to attack debt:** View getting out of debt as a long-term goal, but set smaller milestone goals that you can celebrate achieving, such as paying off each individual creditor. If you are in over your head filing for Bankruptcy can be an alternative to repaying your debts in full.
5. **How to choose a debt relief provider:** Sometimes the best way to address your debt problems is to seek assistance from a third party such as a local debt relief attorney. An attorney choose should have a flawless record with the bar association, be able to offer multiple options to help you get out of debt, and have a relatively long history of helping people get out of debt. You can find online reviews about most attorneys to help guide you choose the best.
6. **How to build a nest egg:** While most Americans lack a formal savings plan, you don't have to be among them! Instead, identify ways to build up your savings reserves so that you can endure tough economic times without amassing big debts. Start saving as soon as possible – even if only a small amount – and make saving a regular part of your life. For example, set up automatic deposits from your paycheck into a savings or retirement account.

