

Personal Finance Tips for Spring

Spring is great time of year to take a fresh look at your finances to see if any spring cleaning is needed. Here are few simple rules to follow that can help ensure that your personal finances are ready to bloom this summer.



1. ***Spend less than you earn.*** Wealth and financial security are built by having more money come in than goes out each month. Some accomplish this with a formal budget, others create a spending plan and still others accomplish this in a much less structured way. Regardless of how this is achieved, the benefits will be clear in no time at all.
2. ***Create an Emergency Savings Fund.*** One of the benefits of accomplishing item #1 is that extra money generated each month can help create an emergency savings fund. Having a modest emergency savings fund (\$100 to \$1,000) can prevent an unexpected car repair, medical bill, high heating bill or other unplanned event from becoming a financial disaster. If you are able to build your emergency savings account up to an amount equal to 3 to 6 months of your living expenses, then even a major unexpected expense such as a job loss or major medical bills are much more manageable.
3. ***Set Goals.*** Personal finances are often best managed when you have clear goals to achieve. Your goals may include debt reduction, retirement, vacation, home purchase, college or any number of other worthy goals. Day-to-day financial choices are easier to make if you can directly relate them to your progress towards your specific goal. That mental picture of your first home, your first day of retirement or that day when you are debt free is great motivation to achieve your goals.