

WAYS TO IMPROVE YOUR FINANCES

<http://www.businessinsider.com/ways-to-improve-your-finances-in-a-week-2016-3>



Make your payments automatic

- Most bills today can be paid online, and you often have the option of setting up automatic payments. Try automating consistent payments for fixed costs — cable, internet, Netflix, and insurance — so that you don't have to think about them every month and never miss a bill. You can do the same for variable costs such as credit card bills, although you'll want to check in on your account regularly to make sure things are going smoothly.
- For payments that can't be made online, such as rent, set up calendar reminders and get in the habit of paying them around the same time each month (maybe even set up a calendar reminder) so it becomes routine.



Increase your 401(k) contribution.



- You should already be contributing to your employer's 401(k) retirement account if you have access (if you don't, you have other options). You'll also want to get in the habit of upping your contribution on a consistent basis, either every six months, at the end of each year, or whenever you get a pay raise. Thanks to compound interest, even a 1% increase can go a long way over time.
- Check online to see if your plan offers auto-increase, which will automatically increase your contributions every year. If it does, choose a percentage you want to increase your contributions and how frequently you want it to increase. If you don't have this option, or are contributing toward different retirement plans without auto-increase, make a reminder note in your calendar every six months or year to increase your savings rate

- <http://www.businessinsider.com/young-people-401k-2015-6>

- <http://www.businessinsider.com/amazing-power-of-compound-interest-2014-7>

- <http://www.businessinsider.com/how-to-automate-your-finances-2015-6>

Contribute to an IRA or other savings plan.

- If you're maxing out your 401(k) plan, consider putting money towards a traditional or Roth IRA, other retirement savings accounts that offer tax benefits. Anyone can open and contribute to a traditional IRA, but there's an income cap on the Roth IRA. Read up on the key differences between the two accounts to see which one is a better option for you.
- When you're ready to open an IRA, simply choose a firm and set up your account online. Try Fidelity, Vanguard, or TD Ameritrade. You can also walk into a brokerage firm, such as Charles Schwab or Merrill Lynch, or a bank if you want to set up your account with a real person.
- If you have kids, another savings plan to consider is a 529 plan — a state-sponsored, tax-advantaged investment account to cover the costs of college. These plans allow a parent to contribute up to \$14,000 per year (\$28,000 for a couple) for each of their children's college educations. It also allows anyone — a grandparent, godparent, or particularly generous neighbor — to contribute to the fund.

- <http://www.businessinsider.com/traditional-vs-roth-ira-2016-1>

- <http://www.businessinsider.com/every-millennial-should-consider-a-roth-ira-2014-6>

- <http://www.businessinsider.com/how-to-use-a-529-college-savings-plan-2014-4>



Choose and set up a method to start tracking your expenses.



- You don't quite realize how quickly you can blow through cash until you start keeping track of each purchase. Recording *everything* will provide a new awareness of how easily expenses can add up, even the seemingly insignificant "little" purchases.
- Start by recording each and every purchase you make for a full week — keep a spreadsheet on your computer, use a notebook, or consider an app that will automatically track your expenses, such as Mint, You Need a Budget, or Personal Capital.
- If it's an eye opening experience, make a habit out of doing it daily. It'll take just five minutes or less.

- <http://www.businessinsider.com/david-bach-money-saving-exercise-2015-7>
- <http://www.businessinsider.com/most-effective-money-saving-habit-2015-12>

Cancel your underused subscriptions.

- First, figure out what subscriptions you're paying for. Do you have TiVo or LinkedIn Premium? Do you pay for a gym membership? What about magazines or newspapers? Next, cancel every subscription you can, either online or by calling up the company.
- Some companies will do all the work for you — Trim and Truebill, for instance, find all the subscriptions on your credit card and then cancel the ones you don't want.
- If you're up for it, cut cable too. The average American household pays \$64 a month for cable, which comes out to \$768 a year. That's a large sum to pay if you aren't taking full advantage of it. One such alternative, Netflix, costs only \$8 per month — a year of Netflix would cost you about \$100, meaning you'd save over \$650 in cable costs.
- Check out more cable replacements if you're thinking of taking the plunge.



Pick up a personal finance classic.



- If you're in need of a financial tune up, investing tips, or some inspiration to start building your wealth, grab a personal finance classic or book on investing. Stretched for time? There are plenty of great reads about managing your money under 160 pages.
- Plus, the richest, most successful people tend to be avid readers — they would rather be educated than entertained — so if you want to be like them, cut the cable and dive into books.

- <http://www.businessinsider.com/books-to-read-to-get-rich-2015-5>
- <http://www.businessinsider.com/short-books-about-money-2015-6>
- <http://www.businessinsider.com/rich-people-like-to-read-2015-8>

Write down clear and specific savings goals.

- If you want to make or save more money, you have to have a clear goal and then a specific plan for how to achieve that goal. Money won't just appear — you have to work at it. As self-made millionaire T. Harv Eker writes in his book "Secrets of the Millionaire Mind," "The number one reason most people don't get what they want is that they don't know what they want. Rich people are totally clear that they want wealth."
- Choose two to three major purchases that you plan to make in the next couple of years. Next, adjust your budget so you can contribute a specific amount of money into a savings account (or sub-savings accounts) each month. The amount will depend on your upcoming purchases and time horizon. Treat this money like a fixed cost, meaning you *must* set it aside every month like you would do for rent or utilities. This keeps you from skimping on savings and "saves" you whatever amount you decide to set aside.
- Pro tip: Set up automatic transfers from your checking account to your savings accounts so you never even see this money and learn to live without it.

- http://www.iwillteachyoutoberich.com/blog/tip-using-sub-savings-accounts-for-unexpected-expenses/?utm_referrer=http%3A%2F%2Fwww.businessinsider.com%2Fways-to-improve-your-finances-in-a-week-2016-3

- <http://www.businessinsider.com/how-to-automate-your-finances-2015-6>



Look into the benefits offered by your employer.



- If you're not taking full advantage of your employee benefits, you're leaving money on the table. Here are a few particularly advantageous ones you may be overlooking:
- **Healthcare flexible-spending account:** This type of account is a pretax benefit account you can use to cover a variety of healthcare products and services, from acupuncture and physical therapy to vaccines and over-the-counter medicine. You can put up to \$2,550 of tax-free money into this account in 2016, and save about 30% on healthcare expenses with the tax break.
- **Commuter benefits:** These are often overlooked, but they can save you over \$600 each year. The concept is simple: Employees can use pretax money from their paychecks to cover mass-transit passes — including the train, subway, bus, ferry, *and* parking.
- **Fitness-reimbursement program:** Depending on your employer, you could receive reimbursements for many common health-related expenses, such as gym-membership fees, fitness classes, or sports-league teams. While you're looking into fitness reimbursements, check out other expenses your company may reimburse, such as cellphone plans, moving costs, or professional-development classes.
- Talk to your human resources department to understand the scope of what's available.
 - <http://www.businessinsider.com/money-saving-work-benefits-youre-missing-2015-10>
 - <https://www.wageworks.com/employees/healthcare-benefits/healthcare-flexible-spending-account/>
 - <http://www.wsj.com/articles/SB10001424052702304302704579332291392874138?alg=y>

Brainstorm ways to increase your income.



- "Most Americans only think about cutting costs," writes Ramit Sethi, author of "I Will Teach You To Be Rich." "We forget about the lever of *earning more money*, which is the most powerful of all."
- Try negotiating your salary at work or freelancing for something you're very good at. Also, read up on 50 ways to bring in additional income, high-paying jobs you can do on the side, and lifestyle changes to make if you want to earn more money.
 - <http://www.businessinsider.com/how-to-negotiate-a-higher-salary-2014-1>
 - <http://www.businessinsider.com/how-i-made-23700-freelancing-online-2015-4>
 - <http://www.budgetsaresexy.com/ways-to-make-money/>
 - <http://www.businessinsider.com/high-paying-side-jobs-2015-11>
 - <http://www.businessinsider.com/lifestyle-changes-to-earn-more-money-2015-12>

Negotiate lower costs for various expenses.

- Many common bills — cell phone, internet, or cable, for example — are negotiable. Negotiating just \$10 off your monthly bills means an extra \$120 a year, and you may be surprised at how easy it is to get a lower price by simply picking up the phone. At the end of the day, companies are often willing to make allowances to keep their customers.
- Additionally, if you have any form of debt, the interest rate on your debt may be negotiable — this can save you a significant amount, particularly if your interest rate is steep or if you're going to be paying it down over many years.
- Read up on other things you may not have known you can negotiate — and remember, it never hurts to ask.
 - <http://www.businessinsider.com/how-i-negotiated-my-cable-bill-2015-7>
 - <http://www.businessinsider.com/lower-consumer-debt-by-negotiating-your-interest-rate-2016-1>
 - <http://www.businessinsider.com/things-you-didnt-know-you-could-negotiate-2016-1>



Open a high-yield online savings account.

- The "big banks" out there usually offer an interest rate of 0.01%, meaning any savings just sit there, growing by a negligible amount. To give you an idea: If you let a \$10,000 deposit sit in your standard savings account for one year, you'd receive a mere \$1 of interest, and that's before taxes.



- However, if you're using a high-interest savings account at an internet bank, your \$10,000 deposit would generate \$100 of interest over one year, thanks to the 1% interest rate.
- This is by no means a sound investment strategy, but it's a better way to earn money on liquid savings like your emergency fund. If you're interested in trying out an online bank, Magnify Money lists some good options, and allows you to compare how much you would save with a high-interest account compared to a savings account offering a rate of 0.01%.

- <https://www.irs.gov/taxtopics/tc403.html>

- <http://www.businessinsider.com/why-you-should-use-an-online-savings-account-2015-8>

Look at your past few grocery bills and figure out how to lower them.



- The grocery bill can add up effortlessly, thanks in part to tricks that supermarkets use to get you to spend more.
- A good starting point for lowering your grocery bill is to simply determine how much you typically spend on groceries. "Go back and look through old receipts or check your online banking to see how much you have been spending on groceries," encourages Danielle Wagasky, who stretched \$14,000 a year to cover her family's needs for five years and cut her grocery bill from \$800 a month to \$400. "Look at the number and decide if it is a realistic number, or ask yourself if maybe you've been spending too much on groceries in the past. For most, the latter will be the case."
- If you still have time left, read up on some strategies to shave your monthly grocery bill significantly. And if you're a health nut, it turns out you *can* eat healthy on a budget.
 - <http://www.businessinsider.com/the-healthiest-cheapest-foods-2015-7>
 - <http://www.businessinsider.com/how-to-cut-your-monthly-grocery-bill-in-half-2015-9>
 - <http://www.businessinsider.com/how-to-cut-your-monthly-grocery-bill-in-half-2015-9>
 - <http://www.businessinsider.com/sneaky-ways-supermarkets-get-you-to-spend-more-2015-9>

Adjust your investment portfolio.

- If you've already gotten a head start on investing, that's great, but you can't just "set and forget" your investments forever. Yes, you should keep your hands off your money ... to a point.
- Life happens, and there are times — particularly big life changes — when it's smart to make financial adjustments. For example, if you're expecting a baby, you may want to consider contributing to a 529 savings plan. Or, if you decide to retire early, you'll need to readjust your time horizon and the amount of risk you choose to take in your portfolio.
- Spend some time looking at the original portfolio you created and if need be, adjust it to fit your current situation.

- <http://www.businessinsider.com/times-you-might-need-to-re-evaluate-your-investments-2015-9>



Check your credit score – then ask your credit card company to increase your limit.

- A strong credit score – a three-digit number between 301 and 850 – will allow you to make big purchases later on, such as insurance, a car, or a home. Generally, you don't want your credit score to dip below 650, as potential creditors may consider you less trustworthy with their money and less deserving of the best rates.
- Start by checking your credit score, which you can do as often as you want through free sites like Credit Karma, Credit.com, or Credit Sesame.
- One of the biggest factors that influences your score is called your utilization rate, which measures how much of your total credit you're using. The less, the better. By that logic, if you have more credit but *don't* increase your spending – and that part is key – you'll have a lower utilization rate, which will have a positive affect on your credit score.
- Once a year, you can request a credit limit increase. Note that your request will trigger a hard inquiry into your score, which will ding it temporarily, so try not to request your increase when you need your score immediately.
- If your request is granted, don't be tempted to spend more just because you can. Stick to a low utilization rate – John Ulzheimer, credit expert at CreditSesame.com, recommends spending no more than 10% of your total credit.

- <http://www.businessinsider.com/9-ways-to-destroy-your-credit-score-2014-4>

- <http://www.businessinsider.com/one-graph-illustrates-why-people-should-care-about-their-credit-scores-2015-4>



Check to see if you have the right insurance.



- Insurance is can seem complex, confusing, and generally not fun to talk about, so it often gets put on the back burner. However, buying the right policies is crucial to a healthy financial life.
- Insurance policies are largely personal — everyone's situation and needs are different, and as your life changes (say, you get a new job or have a baby) so should your coverage. One of the best things you can do to get the best coverage for your needs is to educate yourself: Get multiple quotes, read your policy closely before signing on, and don't hesitate to ask questions when you don't understand.
- Start by looking at the the type of insurance you should buy at every age. If you have a family, consider the three most important types to protect your family for years to come: disability, life, and long-term care insurance.
 - <http://www.businessinsider.com/things-you-arent-buying-but-should-2016-2>
 - <http://www.businessinsider.com/insurance-for-every-age-2014-6>
 - <http://www.businessinsider.com/insurance-policies-for-families-2015-11>

21 lifestyle changes to make if you want to save more money

- <http://www.businessinsider.com/ways-to-improve-your-finances-in-a-week-2016-3>

