

# Money Management Tips

## Introduction

The 2007 survey conducted by the American Psychological Association revealed that money and work are the top two stressors among 75 percent of the American population. And the recent economic crisis is reshaping many families' financial landscape. Individuals and their families can adapt to tough economic times, however, by applying simple money management tips.

## The Root of Money Problems

Since money problems are generally not about money, chances are they will not be solved with more money. Money problems are about spending more than you can afford, making poor choices, satisfying wants instead of needs, lacking a financial plan, and procrastinating.

## Solving Money Problems

Money problems can be solved by learning and following these steps:

- Differentiate between "needs" and "wants," and review spending habits.
- Learn new skills, such as how to make effective decisions, positive choices, and identify needs.
- Prioritize and sets goals.
- Figure out where you are right now.
- Determine where you want to be.
- Develop a financial plan to figure out how you will get where you want to go.



## Financial Management Tips to Put into Practice

- Expect and prepare for emergencies.
- Communicate more openly with family members.
- Accept that you can't buy "everything."
- Utilize a flexible spending account if available at work.
- Create and stick to a budget.
- Set financial goals and try hard to achieve them.
- Spend within your means; in other words, spend less than you make.
- Save money by paying yourself out of each paycheck you earn.
- Put your money in a financial institution to earn interest.
- Get professional help if credit becomes a problem; seek help from a reputable credit counseling agency.
- Become knowledgeable and stay up-to-date about what is happening with the current economic condition.



- Do management checkups on your money as often as you get it and as often as you spend it so you will know where your money is going at all times.

## Self-help Questions

- What is really important to you and your family?
- How many bills do you pay or purchases do you make each month?
- Do you have control over how you spend money?
- What do you own that could be used to guarantee your debt?
- Do you have a good credit history?
- Can you live within your means?
- How much credit are you already committed to?

Use these tips wisely to help you determine how to spend your money in order to become more financially secure in the future.

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