

3 Healthy Financial Habits to Start Now

Developing healthy financial habits can do wonders for helping us achieve our goals, and the earlier you start, the better! Here are three habits to start today:

Write down what you spend

Budgeting is the foundation of personal finance. If you're new to budgeting, the first step is to write down all of what you spend: it could include the coffee you get each morning, the sofa you purchased for your apartment or house, or the monthly charge for the streaming video service you use.

The idea behind a budget is not to limit what you do with your money, but more importantly, to maximize the money you work hard for each and every day. Cutting out even small things, such as that coffee or a soda purchase each day could save you over \$100 per month.

Best of all, technology has made it easier to connect you with your finances and spending habits from the comforts of your own mobile phone or tablet. There are a variety of free budgeting apps available that can track your spending so it's there to review as needed.

Create clear financial boundaries

Ignoring the "Joneses" can be one of the biggest battles when making practical decisions regarding your finances. Spending outside of what your budget can handle will push you further away from saving money and deeper into debt. "Can I do without this?" is one of the questions you should be asking when making a sizable purchase, such as a new automobile, or buying/renting in the new trendy neighborhood.

Consider implementing the "50-20-30 rule." Experts state that we should spend 50% of our monthly income on necessities, including utilities, food, and rent or mortgage. The next 20% is allotted to savings and debt, such as paying off loans or student debt. The last 30% of your income is for personal purchases, such as your phone plan, internet/cable/streaming services, clothing,

and personal care. Staying within these guidelines can establish financial boundaries that will cultivate a healthy financial future.

Paying yourself is priority #1

When it comes to managing your finances and becoming more independent, you have permission to be a bit selfish. Paying yourself first is vital to having a successful financial future. No one can avoid unexpected expenses or financial emergencies, but like a Boy/Girl Scout, you should "be prepared."

Many employers make it easy for their employees to save by offering direct deposit options, where a portion of your paycheck is put into a savings or money market account each pay-period. You can also set up an automatic transfer from a core bank account to a long-term savings or investment account.

As you work to achieve your savings goals, keep in mind that you can increase the amount you contribute, while ensuring it works for your budget. It's also smart to contribute as much as you can to your 403b or 401k employer-sponsored retirement savings plan. This money can be taken out of your check even before you get paid so it's likely that you won't even miss it. You will likely experience long-term tax benefits as well.



Webinar Wednesdays for August

As the new school year approaches, it is a great time for you and your family to revisit your finances and make sure you are on track for the rest of the year. GreenPath's Education Team will be conducting two webinars August, designed to improve your family's financial wellness.

It's Back to School Time

August 15th, Noon ET

Whether you're counting down the days until school starts with excitement or dread, there is a lot to do before the first day arrives. This is a busy time that can be stressful and costly. Join us as we talk about ways to set your family up for a smooth and successful transition.

Tips for Teaching Kids Financial Responsibility

August 29th, Noon ET

It's never too early to start teaching your kids the basics of personal finance. Please join us as we talk about tips you can use to teach your kids about financial responsibility and developing good habits from the start.

Visit greenpath.com/gfw-webinar-wednesdays to register for these upcoming webinars.



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