



LIFE SKILLS

TIPS FOR HEALTHY FINANCES IN FEBRUARY

Flowing into February, if you're like most, now that the first month of the year is behind us, your motivation to stick with your new year's resolutions may have gone. But if one of your goals was to work on managing your finances better, it's never too late to start, in fact – now is the perfect time.

To help you make responsible choices when it comes to money, here are five tips for healthier finances.

Think about the long term. When you are planning for your future, it is important to ensure that you start thinking about your long-term financial plans. Rather than just considering your short-term financial goals, consider what your financial goals are for the next 5-10 years, and then start working towards achieving these goals now.

For example, if you would like to buy a house in the next five years, then you can start putting a specific amount of money into a savings account each month to build up a deposit.

Create and maintain an emergency fund. Creating an emergency fund is essential to being financially responsible according to experts.

Saving a specific amount of money in a separate savings account with a good interest rate ensures that you will always have a fair amount of money to live on should you encounter any financial difficulties.

It is also essential to ensure that you are putting enough money into this fund. Experts recommend that your emergency fund should have money equivalent to at least three months' worth of living expenses.

In this way you would have sufficient cash to live on should you suddenly lose your job.

Track your spending. One of the fundamental principles of being responsible with your finances is to always track your spending. Know exactly what you are spending your money on, and how much you are spending to make you more aware of your finances. This will also help you to assess where you can cut your spending if you need to.

Live below your means. The key to financial security is to always live below your means. Instead of spending all your money on unnecessary things, rather budget for the things you need and put the rest of your salary into a savings account where your money can grow.

File your taxes. If you haven't already done so, make sure to schedule time with your tax professional and don't wait for the last minute, where you may need to pay rush fees.

If you are expecting a refund, use it toward paying off any current debts, particularly those which have a high interest rate.

If you're fortunate not to have any (other than home or student loans which have a relatively low interest), speak to a professional financial advisor and consider investing your money in suitable a fund.

Creating a stable financial foundation is extremely important, and not very difficult to achieve if you start making financially responsible decisions now.