

How to Improve Financial Health

Physical fitness is important, but do not overlook the need for staying “financially fit,” as well. Try sticking to the following regimen:

*Take control of financial affairs. It is not possible to prosper simply by staying one step ahead of the bill collectors. If that is the case, a change in lifestyle is required.

*List financial objectives. It may be helpful to divide them between short-term and long-term goals. While some immediate goals may take top priority—for example, replacing a broken washing machine—saving for a child’s college education or retirement cannot be ignored either.

*Track income and expenses. Keep a detailed record of all expenditures for a month or two. This financial exercise may show where certain expenses—perhaps forgoing some expensive meals out—can be cut without much hardship.

*Plan for contingencies. Make allowances for unexpected expenses such as emergency dental work, a fender-bender or a flooded basement. Build this factor into the monthly budget.

*Set aside money for investment. Do not squander the extra money saved each month. But remember that investing carries some element of risk, along with the potential for reward. Diversify a portfolio by spreading investments among several different categories.

*Monitor investments. Just because an investment plan seems to be working now doesn’t mean it will work forever. Make sure that it continues to perform to expectations. Also, reassess the goals and needs periodically.

These are just a few basic ideas for financial well-being. They can provide a strong foundation for the future.