

## ACTION STEPS TO IMPROVE YOUR PERSONAL FINANCES IN 2021

Use this checklist to position yourself positively in the new year



### INCREASE YOUR RETIREMENT PLAN CONTRIBUTIONS BY 2%

In a perfect world, you would contribute between 10% and 15% of your salary to retirement. If you aren't there yet, increase your contributions by 2%. Set a calendar reminder to do it again next year.



### SET YOUR CREDIT CARDS ON AUTOPAY

According to the Federal Reserve, only 45% of U.S. cardholders pay their card balance in full each month. Treat credit cards as tools of convenience. If you don't have the money in the bank, you don't have the money for the purchase. If a purchase is important, save for it, then buy it.



### LEARN THE DIFFERENCE BETWEEN WANTS AND NEEDS

Distinguishing wants from needs is hard. Ask ten people to separate ten items into wants and needs, and you may get ten different answers. It isn't so much about the money as being honest with yourself. You appreciate those who speak the truth to you; give yourself the same consideration to your buying decisions.



### DETERMINE YOUR FINANCIAL NET WORTH

Get a sheet of paper and draw a line down the middle. On the left side list your assets such as bank and investment accounts, and your home. On the right side list all the money you owe such as mortgages, credit cards, or loans. Calculate the difference and that's your net worth.



### LEARN YOUR CREDIT SCORE

Knowing this one data point can reap benefits for you when making a purchase or signing up for any service that requires a credit check. Fix any errors and be sure lenders and service providers are working with accurate information.



### BUILD AN EMERGENCY FUND

Work towards accumulating a cash balance equivalent to 6 months of income. You won't get there immediately, but start moving in that direction. A little progress will motivate you to do more.



### BECOME FINANCIALLY LITERATE

Whether you work with an advisor or keep your own counsel, the best path to sound guidance is to ask informed questions. So keep reading, learning and studying.



### CELEBRATE YOUR ACHIEVEMENTS

Too often, you get caught up in the race to achieve your goals, never stopping to catch your breath and assess your progress. Doing so allows you to recognize your achievements, no matter how small, and place them in a pile of motivational energy. Find a reason to celebrate something.