

13 Tips to Manage Your Finances Like a Pro

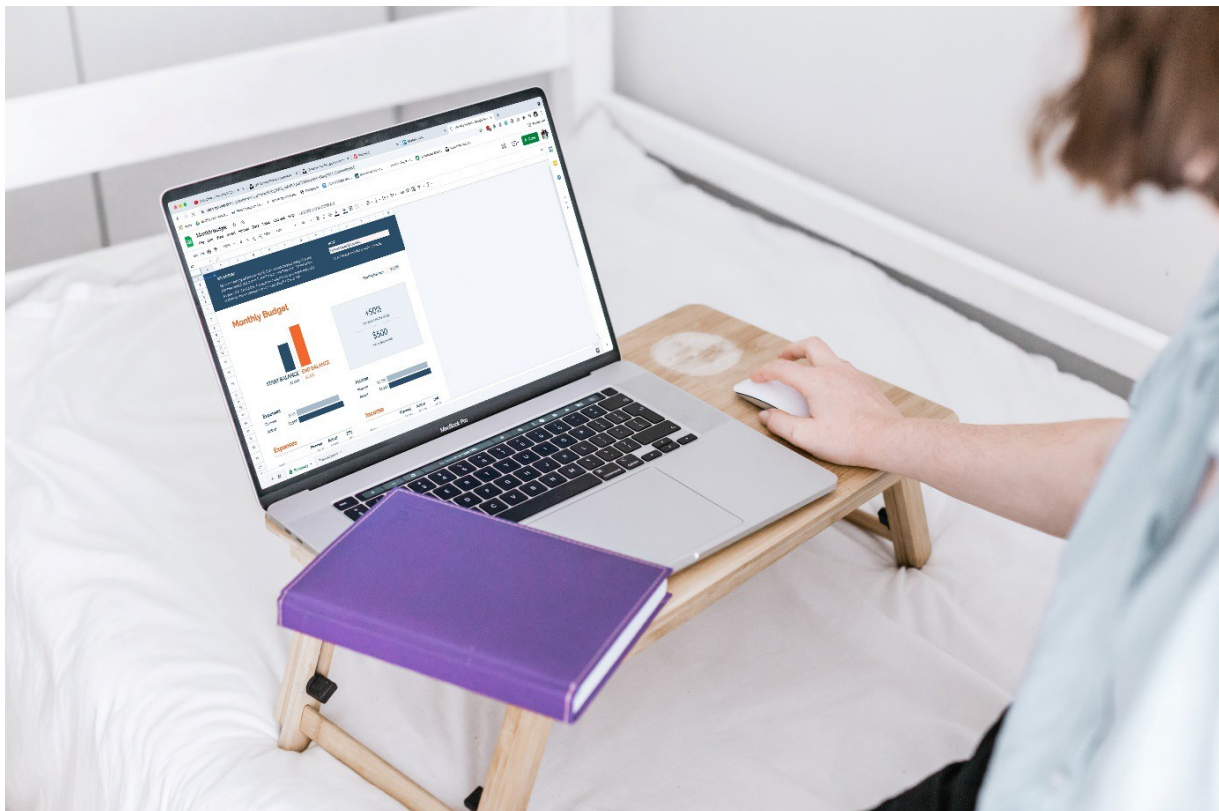
According to a 2017 survey, over 40 percent of Americans struggle with their finances.

So, what's unique about people who manage their finances like a pro? What lessons can we learn from them?

CBS News found that Americans who are stressed about their finances:

- had an unpredictable monthly income
- were financially illiterate
- did not receive employer benefits
- had school-aged children and
- did not have a long-term financial plan.

But, is there something you can do about it?



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Money management for beginners doesn't require specialized skills. You need to know your goals and how they align with your income and expenses.

If you struggle with money, these tips will help you get a better handle on your situation:

1. Track your Expenses

It is important to be aware of how (and where) you spend your money. Use an app to track and identify where and how you overspend. Then, use this information to cut back spending on non-essentials.

2. Create a Monthly Budget

Having a realistic budget is critical to effectively managing your finances. There is no one-size-fits-all formula; your budget should fit in with your lifestyle. Use it as a tool to inspire better spending habits.

3. Make a Plan to Pay Off Debt

Debt negatively impacts both your income and savings. Focusing your efforts on repaying your most expensive loan is one of the best financing tips. Make only minimum payments for the rest. Once it is repaid, start paying the next most expensive one until you have repaid all your loans. Also, understand everything about financing for beginners before taking a new loan.

4. Set up an Emergency Fund

An important tip for *money management for beginners* is to set up an emergency fund. Ideally, it should cover your expenses for three to six months. You should decide on a monthly figure to set aside for it. Don't focus on how long it will take you to achieve your goal!

5. Start Investing

Instead of working for money, have your money work for you. Contrary to popular belief, you don't need to have a significant amount to get started. The earlier you start; the higher returns you will have at retirement.

6. Start Saving

Before spending any money, transfer x amount to a savings account each month. Once you achieve the target for your emergency fund, continue to save. It can be used for any expenses for instance large purchases, unexpected bills or even a vacation!

7. Promptly Pay Your Bills

Paying off your credit card bills every month is an important rule of thumb for *financing for beginners*. It will help you avoid interest and penalties and improve your credit score. It will also make you mindful of your spending habits.

8. Improve Your Credit Score

A great credit score can save you thousands of dollars in interest! Imagine you are getting a [30-year mortgage](#) of \$300,000 at a fixed interest rate. If your credit score is 850, you will end up saving up to \$100,000 in comparison with someone whose score is 620. This is a great tip for *financing for beginners*.

9. Save for Large Expenses

Whenever possible, save for large expenses. This will help you avoid debt and interest. Always shop around for saving on big purchases. Research multiple options to ensure you are getting a great deal.

10. Contribute to a Retirement Plan

Start saving for retirement as early as possible. Don't forget to take advantage of any matching offers from your employers. Set a goal for your retirement fund and contribute to it every month.

11. Hire a Tax Consultant

A tax consultant will plan your taxes and ensure that you are not paying more than you need to. This is called tax planning. You should also try to understand how the taxes (both federal and state) work.

12. Annually Review Your Recurring Expenses

Annually review your recurring expenses to ensure that you are not overpaying. For your:

- Mobile plan,
- Credit cards,
- Internet and
- Cable

Find a competitor offering better rates and renegotiate with your provider.

13. Improve Your Mindset

Mindset is one of the most important aspects of money management. Set financial goals and focus on things within your control such as:

- Debt repayment and
- Spending habits

This *financing tips* will have a positive impact on your financial situation.

Conclusion

While *money management for beginners* is not easy, it is a skill that can be learned.

You should have clearly defined financial goals and a plan for achieving them. As with most habits, you will continue to get better with practice.

Most people struggle with money is because of the assumption that it requires a significant amount of time and effort.

In reality, you rarely need to spend more than a few hours per month budgeting to ensure you are on track.

Meta Title: 13 Tips to Manage Your Finances Like a Pro

Meta Description: Do you struggle with your finances? According to a 2017 survey, over 40 percent of Americans struggle with their finances. Here are 13 tips to manage your finances like a pro.