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| **Avoid Being Overwhelmed with Financial Planning by Educating Yourself****It’s easy to be intimidated by all the details of financial planning. However, you don’t need to be an expert to understand fundamental concepts such as credit, debt, budgets, and goals.**A little self-education can go a long way to make financial planning less daunting. Thankfully, books, and the internet offer hundreds of resources that can give you a basic understanding of financial topics. In addition, a financial professional can help fit all the pieces into a financial plan customized for your needs.**It starts with a budget.** Budgeting is a basic part of personal finance. It is a spending plan that outlines what to do with your money each month. You can create a budget on paper, in a spreadsheet, or using a personal finance app. The budget shows your monthly income, expenses, and savings. The proper way to use a budget is to estimate your cash flows for the month and then track where your money actually goes. Over time, a budget can teach you financial discipline that will help you work toward your long-term goals.**Learn good financial habits early on.** Living within your means is the financial habit that makes all other things possible. You must balance your expenses against your income and if necessary, cut those expenses to avoid accumulating debt. Another important habit is to “pay yourself first,” which means automatically allocating a part of your paycheck to savings and investing, not leaving it as an afterthought.**Save and invest for retirement.** The earlier you start, the more money you’re likely to have for your retirement nest egg. Understand how a workplace 401(k) and an individual retirement account (IRA) operate. Traditional versions let you deduct your contributions and only pay taxes when you withdraw the money. Contributions to a Roth IRA are not deductible, but withdrawals are tax-free if you follow all the rules. You can contribute up to an annual limit, but you need to observe the rules governing when you can withdraw money without triggering penalties.**Approach credit carefully.** Getting your first credit card is a big milestone in your financial journey. When you use it prudently it can help improve your lifestyle. However, you must guard against accumulating too much debt because the interest charges can interfere with your ability to meet your other financial commitments. The safest course is to pay your entire bill each month and thereby avoid interest charges completely. Your budget should govern your credit card spending just as it does all your other spending.**Financial planning covers much territory.** Budgeting and saving for retirement are good first steps. You’ll also need to address more advanced topics, such as investing, insurance, taxes, and wealth preservation. Contact me for help creating a financial plan that encompasses all these components. Together, we can pursue a holistic approach to help you plan your financial future.

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