**Financial Basics**

**1. Create a Financial Calendar**

If you don't trust yourself to remember to pay your quarterly taxes or periodically pull a credit report, think about setting appointment reminders for these important money to-dos in the same way that you would an annual doctor's visit or car tune-up.

**2. Check Your Interest Rate**

Which loan should you pay off first? The one with the highest interest rate.
Which savings account should you open? The one with the best interest rate.
Why does credit card debt give us such a headache? Blame it on the compound interest rate.
Bottom line here: Paying attention to interest rates will help inform which debt or savings commitments you should focus on.

**3. Track Your Net Worth**

Your net worth—the difference between your assets and debt—is the big-picture number that can tell you where you stand financially. Keep an eye on it, and it can help keep you apprised of the progress you're making toward your financial goals—or warn you if you're backsliding.

**Budget Basics**

**4. Set a Budget, Period**

This is the starting point for every other goal in your life.

**5. Consider an All-Cash Diet**

If you're consistently overspending, this will break you out of that rut. Don't believe me? The cash diet changed my life when realized that it wasn't as scary as she thought. Really.

**6. Take a Daily Money Minute**

Set aside one minute each day to check on your financial transactions. This 60-second act helps identify problems immediately, keep track of goal progress—and set your spending tone for the rest of the day!

**7. Allocate at Least 20% of Your Income Toward Financial Priorities**

By priorities, I mean building up emergency savings, paying off debt, and padding your retirement nest egg. Seem like a big percentage?

**8. Budget About 30% of Your Income for Lifestyle Spending**

This includes movies, restaurants, and happy hours—basically, anything that doesn't cover basic necessities. By abiding by the 30% rule, you can save and splurge at the same time.

**Money Motivation**

**9. Draft a Financial Vision Board**

You need motivation to start adopting better money habits, and if you craft a vision board, it can help remind you to stay on track with your financial goals.

**10. Set Specific Financial Goals**

Use numbers and dates, not just words, to describe what you want to accomplish with your money. How much debt do you want to pay off—and when? How much do you want saved, and by what date?

**11. Adopt a Spending Mantra**

Pick out a positive phrase that acts like a mini rule of thumb for how you spend. For example, ask yourself, "Is this [fill in purchase here] better than Bali next year?" or "I only charge items that are $30 or more."

**12. Love Yourself**

Sure, it may sound corny, but it works. Taking control of your finances is one of the best way to value yourself.

**13. Make Bite-Size Money Goals**

One study showed that the farther away a goal seems, and the less sure we are about when it will happen, the more likely we are to give up. So in addition to focusing on big goals (say, buying a home), aim to also set smaller, short-term goals along the way that will reap quicker results—like saving some money each week in order to take a trip in six months.

**14. Banish Toxic Money Thoughts**

Hello, self-fulfilling prophecy! If you psych yourself out before you even get started ("I'll never pay off debt!"), then you're setting yourself up to fail. So don't be a fatalist, and switch to more positive mantras.

**15. Get Your Finances–and Body—in Shape**

One study showed that more exercise leads to higher pay because you tend to be more productive after you've worked up a sweat. So taking up running may help amp up your financial game. Plus, all the habits and discipline associated with, say, running marathons are also associated with managing your money well.

**16. Learn How to Savor**

Savoring means appreciating what you have now, instead of trying to get happy by acquiring more things.

**17. Get a Money Buddy**

According to one study, friends with similar traits can pick up good habits from each other—and it applies to your money too! So try gathering several friends for regular money lunches, and make a competition of, paying off your debt.

**Amp Up Your Earning Potential**

**18. When Negotiating a Salary, Get the Company to Name Figures First**

If you give away your current pay from the get-go, you have no way to know if you're lowballing or highballing. Getting a potential employer to name the figure first means you can then push them higher.

**19. You Can Negotiate More Than Just Your Salary**

Your work hours, official title, maternity and paternity leave, vacation time, and which projects you'll work on could all be things that a future employer may be willing to negotiate. For their annual review, a client of mine recently offer his entry level staff a $2.000 raise or adding 2 days of PTO. All except one took the extra time off.

**20. Don't Assume You Don't Qualify for Unemployment**

At the height of the recent recession, only half of people eligible for unemployment applied for it. Learn the rules of unemployment.

**21. Make Salary Discussions at Your Current Job About Your Company's Needs**

Your employer doesn't care whether you want more money for a bigger house—it cares about keeping a good employee. So when negotiating pay or asking for a raise, emphasize the incredible value you bring to the company.

**Conquer Dept**

**22. Start With Small Debts to Help You Conquer the Big Ones**

If you have a mountain of debt, studies show paying off the little debts can give you the confidence to tackle the larger ones. You know, like paying off a modest balance on a department store card before getting to the card with the bigger balance. Of course, I generally recommend chipping away at the card with the highest interest rate, but sometimes psyching yourself up is worth it.

**23. Don't Ever Cosign a Loan**

If the borrower—your friend, family member, significant other, whoever—misses payments, your credit score will take a plunge, the lender can come after you for the money, and it will likely destroy your relationship. Plus, if the bank is requiring a cosigner, the bank doesn't trust the person to make the payments. Bonus tip for parents: If you're asked to cosign a private loan foryour college student, first check to see if your kid has maxed out federal loan, grant, and scholarship options.

**24. Every Student Should Fill Out the FAFSA**

Even if you don't think that you'll get aid, it doesn't hurt to fill out the form. That's because 1.3 million students last year missed out on a Pell Grant—which doesn't need to be paid back!—because they didn't fill out the form.

**25. Always Choose Federal Student Loans Over Private Loans**

Federal loans have flexible terms of payment if your employment dreams don't exactly go according to plan after college. Plus, federal loans typically have better interest rates. So be smart about the loans you take out.

**26. If You're Struggling With Federal Student Loan Payments, Investigate Repayment Options**

Just call up your lender and ask whether they offer graduated, extended, or income-based plans. We talked about this just last week.

**27. Opt for Mortgage Payments Below 28% of Your Monthly Income**

That's a general rule of thumb when you're trying to figure out how much house you can afford.

**Shop Smart**

**28. Evaluate Purchases by Cost Per Use**

It may seem more financially responsible to buy a trendy $5 shirt than a basic $30 shirt—but only if you ignore the quality factor! When deciding if the latest tech toy, kitchen gadget, or apparel item is worth it, factor in how many times you'll use it or wear it. For that matter, you can even consider cost per hour for experiences!

**29. Spend on Experiences, Not Things**

Putting your money toward purchases like a concert or a picnic in the park—instead of spending it on pricey material objects—gives you more happiness for your buck. The research says so.

**30. Shop Solo**

Ever have a friend declare, "That's so cute on you! You have to get it!" for everything you try on? Save your socializing for a walk in the park, instead of a stroll through the mall, and treat shopping with serious attention.

**31. Spend on the Real You—Not the Imaginary You**

It's easy to fall into the trap of buying for the person you want to be: chef, professional stylist, triathlete.

**32. Ditch the Overdraft Protection**

It sounds nice, but it's actually a way for banks to tempt you to overspend, and then charge a fee for the privilege.

**Save Right for Retirement**

**33. Start Saving ASAP**

Not next week. Not when you get a raise. Not next year. Today. Because money you put in your retirement fund now will have more time to grow through the power of compound growth.

**34. Do Everything Possible Not to Cash Out Your Retirement Account Early**

Dipping into your retirement funds early will hurt you many times over. For starters, you're negating all the hard work you've done so far saving—and you're preventing that money from being invested. Second, you'll be penalized for an early withdrawal, and those penalties are usually pretty hefty. Finally, you'll get hit with a tax bill for the money you withdraw. All these factors make cashing out early a very last resort.

**35. Give Money to Get Money**

The famous 401(k) match is when your employer contributes money to your retirement account. But you'll only get that contribution if you contribute first. That's why it's called a match, see?

**36. When You Get a Raise, Raise Your Retirement Savings, Too**

You know how you've always told yourself you would save more when you have more? I'm calling you out on that. Every time you get a bump in pay, the first thing you should do is up your automatic transfer to savings, and increase your retirement contributions. It's just one step in saving for retirement.

**Build—and Track—Your Credit**

**37. Review Your Credit Report Regularly—and Keep an Eye on Your Credit Score**

If you only checked you credit report, which seems fine—but don't get your actual credit score, you may be in for a big, unpleasant surprise.

**38. Keep Your Credit Use Below 30% of Your Total Available Credit**

Otherwise known as your credit utilization rate, you calculate it by dividing the total amount on all of your credit cards by your total available credit. And if you're using more than 30% of your available credit, it can ding your credit score.

**39. If You Have Bad Credit, Get a Secured Credit Card**

A secured card helps build credit like a regular card—but it won't let you overspend. And you don't need good credit to get one!

**Get Properly Insured**

**40. Get More Life Insurance on Top of Your Company's Policy**

That's because the basic policy from your employer is often far too little. Not convinced? Talked to some people who have recently lost the breadwinner and see the financial burden placed on families.

**41. Get Renters Insurance**

It, of course, covers robberies, vandalism, and natural disasters, but it could also cover things like the medical bills of people who get hurt at your place, damages you cause at someone else's home, rent if you have to stay somewhere else because of damage done to your apartment—and even stuff stolen from a storage unit. Not bad for about $30 a month!

**Prepare for Rainy Days**

**42. Make Savings Part of Your Monthly Budget**

If you wait to put money aside for when you consistently have enough of a cash cushion available at the end of the month, you'll never have money to put aside! Instead, bake monthly savings into your budget now.

**43. Keep Your Savings Out of Your Checking Account**

Here's a universal truth: If you see you have money in your checking account, you will spend it. Period. The fast track to building up savings starts with opening a separate savings account, so it's less possible to accidentally spend your vacation money on another late-night online shopping spree.

**44. Open a Savings Account at a Different Bank Than Where You Have Your Checking Account**

If you keep both your accounts at the same bank, it's easy to transfer money from your savings to your checking. Way too easy. So avoid the problem.

**45. Direct Deposit is (Almost) Magic**

Why, you ask? Because it makes you feel like the money you shuttle to your savings every month appears out of thin air—even though you know full well it comes from your paycheck. If the money you allot toward savings never lands in your checking account, you probably won't miss it—and may even be pleasantly surprised by how much your account grows over time.

**46. Consider Switching to a Credit Union**

Credit unions aren't right for everyone, but they could be the place to go for better customer service, kinder loans, and better interest rates on your savings accounts.

**47. There Are 5 Types of Financial Emergencies**

Hint: A wedding isn't one of them. Only dip into your emergency savings account if you've lost your job, you have a medical emergency, your car breaks down, you have emergency home expenses (like a leaky roof), or you need to travel to a funeral. Otherwise, if you can't afford it, just say no.

**48. You Can Have Too Much Savings**

It's rare, but possible. If you have more than six months' savings in your emergency account (nine months if you're self-employed), and you have enough socked away for your short-term financial goals, then start thinking about investing.

**And ... Investing**

**49. Pay Attention to Fees**

The fees you pay in your funds, also called expense ratios, can eat into your returns. Even something as seemingly low as a 1% fee will cost you in the long run. My general recommendation is to stick with low-cost index funds.

**50. Rebalance Your Portfolio Once a Year**

I'm not an advocate of playing the market, but you need to take a look at your brokerage account every once in a while to make sure that your investment allocations still match your greater investing goals. I pick the same day every year to do this.

I hope you enjoyed this episode. Every topic was covered in a previous episode or in my book "Pragmatic Prosperity". So if you need a refresher just go back and listen or reread part 3 of the book.

As always, if you need help or more info email me at cindy@cindybbrown.com

**Live Rich!**