

## Seven Steps to Better Money Management

### 1. Calculate your Net Income.

Know all your sources of income after deductions, like income taxes and 401k, are removed. This number ultimately determines what you can spend each month.

### 2. Create a Personal Budget.

A budget is your roadmap for spending and is a tool to help you achieve your financial goals. Having a budget will allow you to control your money rather than your money controlling you. [Click here](#) for help in creating a budget.

### 3. Balance your Checkbook.

The balance in your checkbook is a critical number in money management because it allows you to know exactly how much money currently you have to save or spend. Keeping an accurate checkbook register also allows you to review where you spend your money. [Click here](#) for help with balancing your checkbook.

### 4. Minimize your Use of Credit Cards.

Millions of Americans are in debt. Credit card debt is an easy trap to fall into. The best way to avoid this trap is to avoid using credit cards altogether. If you like the convenience of a credit card, consider getting a debit card instead. Our debit cards are issued by MasterCard<sup>®</sup> and are accepted at most places that accept credit cards. The difference is that the expense is automatically deducted from your checking account balance, which reduces your urge to spend more than you have. Be sure to track each debit card transaction in your checkbook register, just like you would if you wrote a check.

### 5. Pay Down Your Debt.

If you have Credit Card debt or other debts, pay the maximum to your highest interest rate debts first and the minimum on lower interest debts to pay debts faster.

### 6. Establish Savings.

Pay yourself, first. When you pay your monthly bills, write a check to yourself and put it in your savings accounts. If you get your paycheck directly deposited, ask your employer about having a portion of your paycheck deposited to your savings account.

### 7. Know Your Credit History.

Credit reporting agencies collect data regarding your credit repayment history. If your report shows that you are late paying bills, have maximized lines of credit, or have bankruptcies or other collection activities, this will negatively impact your ability to get credit. [Click here](#) to get an overview of your credit score, and the things that could possibly affect it.