

Personal Finance





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A Cash-Only Mindset

Incorporating a cash-only mindset into various aspects of your personal economy can limit your reliance on credit cards or high-interest loans.

A cash-only lifestyle means you refuse to buy things that you can't afford without physically having the funds. By spending conscientiously, you avoid lavish spending on extravagant items that you don't actually need.

It's also an excellent mindset to help

you become better at saving money, as you must strive to save enough to pay for the asking price. Check out a few small steps to work this habit into your lifestyle and watch your debt shrink.

WINE AND DINE

Before hitting the town for a fancy dinner, stop at the ATM to withdraw the amount of money you can comfortably pay. This will help you and guests be more mindful of what is ordered and spend accordingly. Make sure to leave your credit and debit cards at home to resist the urge to impulse buy.

The same tactic should be instilled during grocery shopping trips. Each

week, make a list, calculate the estimated cost, and avoid buying items that aren't documented. You can find accurate pricing by visiting your local store's website and looking for deals within their weekly advertisements.

Try to buy the food and drinks that will last you until the next shopping trip. Sometimes, stopping by a convenience store on the way to work to grab a coffee will lead to other purchases that are more expensive than those at your regular grocery outlet.

ENTERTAINMENT

If you are planning a weekend getaway to visit a sporting game, concert or another type of event, it's good prac-

tice to develop a spending plan. Try to bring along enough funding so your excitement won't be hindered but be diligent to avoid buying souvenirs, merchandise or food that's not in the budget.

AVOID ONLINE SHOPPING

For many, the conveniences of online shopping are too great to resist. When you can stock up on clothing, gadgets and even food from the comfort of the couch, it can be challenging to limit your purchases. Rather than entering your credit card into numerous online databases, commit to shopping locally and only buying things you can afford.

Paying the Right Debts First

When building your nest egg is challenging due to a lack of extra money after paying monthly expenses, it's imperative to create a strategy to cut down debts. Unfortunately, it's not always easy to understand which financial commitments should be eliminated first.

With the right approach, you can cut out high-interest fees, lower your balances and get yourself in better monetary shape with more saving power.

The first step in getting out of debt is making a list of all the debtors you owe. Perform an analysis of your mortgage, car loans and any existing credit cards. In addition to documenting your balances, you must also understand the interest rates on the accounts. Don't automatically assume that knocking out the highest monthly fee will be the most effective move in your financial plan. The journey to living debt-free can take time.

Find out more about two strategies from InCharge Debt Solutions that are effective for managing debts.

DEBT AVALANCHE

When using this method, people must focus on paying



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off debts with the highest interest rates first. To be successful with the avalanche process, you should be able to make your payments without disrupting your monthly installments and other outstanding debts. If you're serious about making the commitment to begin restoring

your financial health, you may have to sacrifice a few things from your daily life, including:

- Avoid eating out.
 - Skip an out-of-town vacation.
 - Put buying a new wardrobe or extravagant items on the back burner.
- Preparing a budget and

sticking to its guidelines is an excellent strategy to save money and focus on paying down debts.

DEBT SNOWBALL

On the other side of the spectrum, the debt snowball plan means paying off your most expensive obligations

regardless of the interest rates. This method effectively eliminates high costs and uses the money you're saving toward the next highest debt. It can provide instant gratification and a mental boost as you begin checking financial responsibilities off your monthly bills.

Effective Credit-Building Tips

The question of your credit profile will come up in numerous scenarios throughout your lifetime.

When you show a lender that you are responsible for repaying financial commitments, your chances for loan approval and competitive interest rates increase. In some industries, an employer may also look into your credit history to discover your qualifications about managing finances and assets.

If you're unsure of where you stand, ask for a free copy of your credit report. The Federal Trade Commission enacts the Fair Credit Reporting Act to ensure that nationwide credit reporting companies must provide Americans with a copy once per 12 months. Reach out to outlets like Equifax, Experian and TransUnion for yours.

After analyzing your report, it's vital to address the discrepancies that you discover. Negative marks, even erroneous ones, can remain on your profile for multiple years, severely inhibiting your score and financial reputation. Once you cleaned up mistakes that accrued along the way, here are some tips to boost your score.

PAY BILLS ON TIME

Making payments on time, every time is crucial to impacting your credit score positively.



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You should make a budget based on your pay periods and have a plan in place on how to spend the money. Rather than waiting for the due date, try to transfer what you owe a few days before the due date or as soon as you receive your paycheck. Of course, this can be risky as you never know when a financial emergency will

occur, so be diligent in building a fund that's intended to cover unexpected expenses.

MAKE MORE FREQUENT PAYMENTS

In addition to paying on time, consider making more frequent payments to pay down debts faster. While hitting the minimum require-

ments will prevent negative marks on your credit, you can expedite the payoff process by actively cutting down the total owed.

KEEP CREDIT CARDS OPEN

Even when you make timely payments on credit cards, having high outstanding balances

can lead lenders to disqualify a loan. Once you pay the card off, keep the account active and use it for small items that you can quickly pay off on the due date. Things like filling up your gas tank or buying a few groceries each month will show healthy credit activity and show that you're responsible for your finances.

Steps to Take after a Raise

It can be tempting to celebrate a raise at your job by splurging on a new vehicle or upgrading a home.

With the right strategy, however, you can use the increased income surge to better your future and set yourself up for financial freedom.

Depending on the amount, you may enter a higher tax bracket, meaning you will be responsible for a higher bill at the end of the year. The most effective way to discover your potential fees is to discuss the raise with your accountant. They will gauge your gross pay and create a solution to ensure you're contributing enough of your salary throughout the year to avoid a significant tax shock. If you need to adjust your withholdings, speak with your company's human resources or payroll department with the concern.

Before jumping into a risky monetary situation, consider these proactive steps to make your money work for you long term.

INVEST IN RETIREMENT

After receiving a raise, invest in yourself by padding your retirement contributions toward a more financially stable future. You should consider building both a 401(k) and an Individual Retirement Account to create the most substantial growth. If you find it challenging to physically



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transfer money into these accounts, ask your employer if they can automatically withdraw it from your paycheck. Find out if your employer offers to match your contribution and try to meet the maximum amount they allow to double your retirement earnings.

BUILD AN EMERGENCY FUND

While buying lavish things and taking exciting trips may have short-term mental benefits, having peace of mind to withstand an emergency can create even more positive effects. The experts at America's Debt Help

Organization recommend maintaining enough cash to cover at least three months' worth of expenses, and ideally six. Use the extra money to cushion your emergency fund and transition through financial disasters without relying on high-interest credit cards or loans.

KNOCK DOWN DEBTS

A quick way to create more room for savings is to knock out debts. Bills like credit cards, automotive loans and a mortgage can take up a considerable chunk of your earnings each month. Use your new financial windfall to lower your financial commitments.



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Stock Investing for Beginners

In early 2021, the stock market was launched into the spotlight as unexpected companies' value skyrocketed.

If the craze got you excited and interested in investing, you should know what you're getting into before making a financial mistake.

One of the essential things to consider before buying stocks is to ensure your current finances are solid. Make sure you can comfortably spend a por-

tion on investments after meeting your monthly obligations and padding the savings account. It's vital to maintain an emergency fund that can last a few months if you face a medical emergency or lose your job.

With your finances in order, here are a few valuable tips to make sound decisions during your investment journey.

DECIDE HOW YOU WILL INVEST

Investing in the stock market can be challenging if you're unfamiliar with the process. An easy way to get started with confidence is by hiring an expert to offer guidance. They can listen to your goals and intentions about

becoming an investor and choose attractive options with positive earning potential.

With your finances professionally managed, it can be easier to take more minor risks on your own with smartphone apps or other investing platforms.

KNOW THE RISKS

The excitement of a stock doing well can make it enticing to sell quickly or hold on to see how the value fluctuates. Both processes hold their own risks as the price can drop or increase in an instant. You should also consider how difficult or easy it will be to cash out on

the investment if it reaches a suitable amount or it begins to drop.

Since stocks can dramatically change due to corporate decisions, company controversy and market conditions, determine a reaction plan as the values vary.

RESEARCH THE MARKET

With the help of an expert, stay on top of the market by researching articles, reading about investment tips and bouncing ideas off other investors. In stocks, wealth is knowledge. Understanding the risks and rewards of particular investments can be the difference between regret and flourishing.

Dealing with Identity Theft

Identity theft is an issue that poses challenges to consumers and their finances.

According to the Federal Trade Commission, there were 4.8 million identity theft and fraud complaints received in 2020.

Unfortunately, the situation can lead to devastating monetary losses and negative marks on credit reports.

The first step after you feel you were a victim of identity theft is to document the occurrence with the FTC. Once your case is developed, correcting problems caused by the event is more straightforward to manage. To file a report, you can visit [identitytheft.gov](https://www.ftc.gov/identity-theft) and answer questions about the crime.

The FTC also has techniques and programs that Americans can use to protect themselves after someone fraudulently opens new accounts or makes illegal purchases in their name.

FRAUD ALERTS ON CREDIT REPORT

After falling victim to an identity crisis, you can place a fraud alert on your credit report by contacting one of the three national credit bureaus — Equifax, Experian and TransUnion. After claiming with one of the three, the others will be notified, and the status will appear on your report for one year.

For a more long-term solu-



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tion, issue a seven-year alert by sending a copy of your FTC Theft Report to each bureau. The extended precaution means that you will be notified before credit can be issued in your name. Make sure to use the most accurate contact information and update alter-

ations if you change your phone number or email address.

REMOVE FRAUDULENT ACTIVITY ON CREDIT REPORT

If you can prove that the activity that caused negative

remarks on your credit report was generated by fraud, you can typically get the feedback removed. Again, you must contact one of the approved bureaus with proof of the crime, your FTC claim and a letter discussing the fraudulent information.

The agencies can also stop creditors attempting to turn your debts over to collections. Staying proactive about what is happening on your credit report is vital to remediate issues swiftly and avoid a poor score due to someone else's indiscretion.

Have Fun Saving Money



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Saving money isn't always the most fun activity for most Americans.

Changing your perspective, creating goals and celebrating milestones makes the process more engaging for families and individuals. Rather than using retail therapy for mental boosts, train yourself to take pride in building your savings account and better preparing your future.

Here are some ideas to get started.

FIND AN EXCITING SIDE GIG

The easiest way to stash away

money is to bring more in each month. Find a side hustle, apart from your day job, that you're passionate about. If money is already an issue, try to discover an activity you can do with little startup fees.

For instance, if you're good with your hands and already own home improvement tools, consider building furniture or unique art projects. In other cases, you can earn a significant amount of side cash by researching ways to make money online. Be wary of scams and be diligent when disclosing financial information for purposes like direct deposit.

You can get your business in the

spotlight by posting what you offer on social media and asking friends to spread the word.

TRACK YOUR PROGRESS

Watching your nest egg grow can be the most substantial reason to persevere with your progress. Use smartphone apps that show a timeline of how your savings are growing and analyze it from time to time.

With the visual data, you can easily manage your strategies and adjust for even more positive growth. As you spend money throughout the days, be sure to log your purchases into the tracking software to find out where

most of your earnings go.

PARTICIPATE IN A CHALLENGE

Create a saving goal and encourage your loved ones to participate in the challenge. First, you should choose an amount that you want to save.

Now, divide that number by 52 to discover how much you will need to stash away each week to reach the milestone.

After the initial year, try to push yourself further by increasing the goal for the next 12 months. Before long, participating in a competitive way to pad your future will become a way of life.