

30 Tips To Transform Your Financial Health

1. Set written goals that will provide you with a road map to the life desired. People who have plans are more likely to achieve their desired goals.
2. When investing for future goals always keep your time horizon in mind. Don't allow short-term fluctuations in financial markets to derail your long-term plans.
3. Most experts agree that an investor should have a time horizon of approximately 10 years before investing in the stock market.
4. Instead of setting up a budget for your household, work with a spending plan. The word "budget" implies deprivation while "spending plan" empowers you to make decisions about how, in the future, you will use the resources you have.
5. Always remember to pay yourself first. Only after paying at least 10% into personal savings should the remainder be available for spending or giving.
6. The typical household spends 30-40% of their monthly budget on non-essential expenses such as dining out, clothing, vacation, and hobbies. When looking for additional money to invest, focus on trimming such variable expenses.
7. One effective method for managing variable expenses is known as the "cash envelope system". Designate envelopes for your variable expenses and place the appropriate amount of cash in each envelope. When the envelope is empty, you know you've reached your limit for spending in that category.
8. When you set up a spending plan, recognize that every month will include some seasonal, unusual, or unexpected expenses. Examples include property taxes, income taxes, holiday gifts and insurance premiums, Manage these expenses by setting aside an amount in your spending plan every month. That way the money will already be set aside when the unexpected happens.
9. Take advantage of the fact that you have the right to request and review your personal credit report for free once per year. Since there are three credit reporting agencies, consider ordering from a different agency every four months. Using this strategy, you have checked your credit 3 times per year without having to pay a cent.
10. There are several ways to improve your credit score including: reducing or paying off your credit card balances, paying bills on time, and only opening new accounts that are absolutely necessary.

11. In a marriage, both partners should maintain a separate credit card account where small purchases are regularly charged and paid off. This shows responsible use of credit for each partner.
12. Low introductory or teaser rates on new credit cards generally expire within a short period of time. Look within the cardholder agreement to see how long the rate will last and how high the rate may increase following the teaser expiration rate.
13. If you cannot pay off the balance on your credit card, avoid using it until the balance is paid off.
14. There are two popular ways to reduce debt: pay off the highest interest rate debt first while paying only the minimum on the rest; or pay off pay off the lowest debt balances first while paying only the minimum on the rest. Either way, take a methodical approach and pay them off one at a time.
15. Whether you work with a financial professional or not, take a vested interest in your financial future. No one cares more about your money than you.
16. There are many expenses that may occur throughout the course of the year that are tax deductible. Frequently overlooked tax deductions include: un-reimbursed employee or teacher expenses, charitable contributions, home office deductions, computer expenses, and moving expenses.
17. Roth IRAs allow taxpayers to invest after-tax money that can generally be withdrawn tax free upon retirement. Consider investing in this type of vehicle to diversify your tax exposure.
18. Always apply for financial aid for college, even if family financial resources seem too high. Most students or parents will qualify for some type of financial aid whether it is student loans, grants, or scholarships.
19. Anyone having income and/or owning property should do estate planning. Wills alone cannot be used to avoid probate, change beneficiary designations, or transfer title to property held in joint tenancy with right of survivorship.
20. Probate is a state court process used to make an orderly distribution and transfer of property from the decedent to a group of beneficiaries. The typical cost to probate an estate is in the range of 3% to 7% of the total estate value.

21. Ways to transfer an estate without having to go through the probate process include: the use of beneficiary designations, survivorship and/or trusts. Any of the above named will substitutes will allow your heirs to inherit your assets without the delay and expense of probate.
22. If you have set up a living trust, check to make sure the assets you desire to be placed in the trust are actually titled correctly.
23. Investments should be spread across a variety of investment vehicles and industries so that your net worth is not dependent on the performance of only one market sector.
24. Direct Stock Plans (DSPs) allow current and first time shareholders to purchase a company's stock directly from the corporation without having to use a broker or pay commissions. Generally, you can get started in a DSP with a small minimum investment and fractional shares may be purchased.
25. Owning bonds can help cushion your portfolio during stock market downturns, since they generally provide a steady stream of income.
26. Statistics show that the hottest performing mutual funds in a given year turn into some of the worst performing mutual funds in future years, since a "hot" fund may already be at its peak. Look for a fund that has a good track record of performance and does not consistently appear in the bottom performance ranking in its category.
27. High fees are the reason many mutual funds under-perform the market over long periods of time. Relatively speaking, lower expense funds tend to out-perform funds with higher expenses. The bottom line is to focus on funds with below average expense ratios.
28. Dollar cost averaging is a strategy of investing equal dollar amounts regularly and periodically over specific time periods (such as \$50 every pay period). By doing so, more shares are purchased when prices are low and fewer shares are purchased when prices are high. Dollar cost averaging helps an investor to "Buy Low and Sell High".
29. A 401(k) allows employees to reduce their tax burden today and defer that taxation in to the future. Additionally, HCA offers employees "free money." HCA will match 100% of your investment up to a maximum percentage of pay. That means you can turn each dollar you invest in to \$2. Never turn down the opportunity for free money.
30. If you're thinking of retiring to a different location, explore the location through various vacations and visits during different times of the year. Once a desirable location is discovered, live there temporarily for several months before making a decision to live there.