



## **BUDGETING & STUDENT LOANS**

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Learning to manage money is key to reaching your financial goals. Developing good personal finance habits now will help put you on a path toward financial wellness.

### **Habit #1: Track your spending.**

You can't know what you're spending if you don't keep track. Write down everything that you spend money on each day for a week or month: from filling your car with gas to shopping online. Highlight everything non-essential and pick three of those items to eliminate. For most people, this single step will save hundreds of dollars a year.

### **Habit #2: Create a budget.**

Many believe that budgets deprive you of the things you want. In reality, budgets are tools to help you reach your goals. There's a budget worksheet on our website.

### **Habit #3: Build an emergency fund.**

Setting up an emergency fund helps you handle financial surprises without going into debt, or resorting to high-cost loans. Aim to have three to six months' worth of living expenses on standby, just in case.

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INDIANA SECRETARY OF STATE

**Diego Morales**

## **Habit #4: Automate your savings.**

Making automatic contributions can ease the stress of saving. Consider having a portion of your pay directed to a separate savings account, this way you won't forget or accidentally spend it.

## **Habit #5: Tackle your student loans.**

Making monthly student loan payments on time boosts your credit score. Build the minimum payment into your budget. If you pay more than the minimum, the amount you pay over and above what's required will go directly toward the principal, reducing your total loan amount.

Consider making lump-sum payments. This is one of the fastest ways to pay off your debt and means you will pay less interest overall.

## **The Bottom Line**

Mastering these personal finance habits will put you on track to reach your financial goals. Mistakes happen, but keep at it. And don't forget to treat yourself sometimes.

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