

8 MONEY TIPS FOR YOUNG ADULTS

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Personal finance still isn't required in high school or college. This results in many young adults not having a good foundational knowledge of how to manage their personal finances. Fortunately, this subject isn't complicated. A willingness to learn and do a little reading is all that's required.

With a small investment of time and energy, anyone can become fluent and knowledgeable on the topic of money. The payback on this small amount of time and energy is priceless. ***Money challenges are a major source of stress for most adults.*** You can avoid these challenges.

Add these 8 simple tips to your financial knowledge:

1. **Be responsible for your finances.** While there are many great money experts that can help you with your finances, the personal finance field is also full of unscrupulous people.
 - Take the time to read topics that pertain to your finances. Pay your own bills. Stay on top of your money. Avoid leaving the responsibility to someone else.
2. **Be aware of how you're spending your money.** Setting up a simple budget is the first step. Then track how you're spending every cent, at least for the first couple of months. Everyone is surprised by how their money is being spent when they take the time to really examine the issue.

3. **Learn the differences between ‘needs’ and ‘wants.’** It’s not always easy to deprive ourselves of the things we desire. But if you can to say ‘no’ when it’s appropriate, you’ll eventually be able to purchase essentially anything you could ever want.
 - ***Many financial challenges are created by poor impulse control.*** This includes purchasing things you can’t afford and things you don’t really need.

4. **Keep track of your credit score.** Credit scores become more important every year. It’s common for credit reports to have errors, so be sure to review your credit report every year. Take the time to learn about credit and how to build a strong credit profile.

5. **Don’t wait to start funding your retirement.** If you get started early, you can save a lot of money quite easily. A little bit grows into a lot over 40+ years. ***Compound interest works like magic.***
 - If your company offers a retirement plan, be sure to take full advantage. The tax savings and convenience are spectacular. Your company might even match your contributions.

6. **Invest in your career.** Spending money to further your earning power is money well spent. This can include job-related training, books, and formal education.
 - Hiring someone to mow your lawn isn’t out of the question if it permits you to spend time on more important, career-related activities.

7. **Protect your health.** Health insurance is very expensive for most people, but hospital bills are even more. Do everything you can to be as healthy as possible. And find a way to afford health insurance.

8. **Have reasonable expectations.** It’s unlikely you’re going to be living like your parents when you first head out on your own. It will take time to

accomplish what your parents have spent years building. ***Patience is critical.***

Many older adults wish they could go back in time and handle their finances differently. You're in an ideal position to get started down the road to a healthy financial future. Take advantage of your unique situation. ***You can have a life of financial security.*** It's much easier to avoid mistakes than it is to fix them.