

THE MONEY COACHES



Do not save what is left after spending;
instead spend what is left after saving.
Warren Buffett

Financial Resolutions For The New Year



Another year has passed and you might find yourself questioning not only where the time went, but where your money went. The start of a new year is a good time to re-evaluate where you have been and where you want to be in the next year.

According to statisticbrain.com about 45% of Americans make New Year's resolutions and only about 8% of those keep them. A resolution is a goal you have to work on to keep. The longer you wait to get your financial house in order, the harder it will be to reach your goals. In this newsletter, we hope to help you find practical ways to make and keep your financial resolutions in the new year.

Fidelity Investments'® 2020 New Year Financial Resolutions Study shows 67% of Americans are considering a financial resolution in the new year.

THE TOP 3 FINANCIAL RESOLUTIONS AMONG THOSE CONSIDERING ONE:

53% SAVE MORE

51% PAY DOWN DEBT

35% SPEND LESS

According to this study, "Living a debt-free life" is the biggest motivator for making a financial resolution. Getting control of daily expenses is the

second biggest motivator, followed by having a comfortable retirement.

In order to be successful, it is important to take the time to track your expenses and put together a workable budget or spending plan. Set clear and specific goals for the new year that are attainable and realistic. To stay motivated, set small milestones along the way and celebrate them when you succeed.

Practical Ways to Save More & Spend Less in the New Year

Automate Savings - "Earmark income you're planning to save before deciding how much you can afford to splurge." Bankrate.com

One of the easiest ways to save more is to pay yourself first through automated savings. You are less likely to spend money if you bypass your checking account. Set it up so a portion of your paycheck goes directly into savings each pay period. To make it even less likely to dip into your savings and remain on track to meet your financial resolutions, set up a savings account at a different financial institution than your checking account.

Maximize 401(k) Plan Company Match

Increase your retirement savings by taking advantage of your employer's matching contribution to your retirement savings. This is a free and easy way to build your 401(k) and boost your retirement contributions.

Avoid Debt

- Delay large purchases until you have enough savings to pay cash or make a large down payment if you must take out a loan.
- Pay off credit card balances each month to avoid interest payments.
- Work to pay off student loans.
- Buy used rather than new.

Cut Spending

- Live below your means.
- Cancel subscriptions and memberships you don't use.
- Stop paying for convenience. Eat out less and instead fix home cooked meals.
- Set up automatic bill payments & stop paying overdue fees.
- When shopping, make a list and stick to it. Don't shop mindlessly and end up with things you don't need or want.

Be Patient

Saving money and developing new spending habits takes time. Don't be discouraged if you don't see immediate results. Small steps in the right direction reap huge rewards. Purpose to get your finances in order and stop living paycheck-to-paycheck in the coming year. Planning, automation and goal setting will help you meet your financial resolutions: Save more, pay down debt and spend less. Become smarter about how you spend the money you make. Make your finances a priority. Contact the Money Coaches to help you start the new year in the right direction.

THE MONEY COACHES

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