

Becoming Money Wise: Ways to Form Good Personal Finance Habits

Money is an important thing. It shouldn't run your life, but you should be wise about obtaining, spending and keeping it. How we handle money is a reflection of what we've learned early in life. Good personal finance habits should be an important part of your life, whether you're single, married or divorced. Here are ways to form good personal habits and start making sense of your money today:

Do it now.

If you must decide to form good personal finance habits, begin today, whether it's for yourself or for your children. The earlier you establish good finance habits, the more it will have a stronger hold on you. Remember that the more you delay changing bad finance habits, the more money you'll waste.

Organize your records.

One of the biggest mistakes you could ever make is failing to keep your financial documents properly filed. Having an organized system that allows you to find financial information when you need it is a good personal finance habit to form. This helps you locate documents, receipts, contracts, checks and the like when you need them and also it's an efficient way of organizing your bill payment schedule.

Check on your credit history.

Don't wait until you apply for a loan before taking a peek at your credit history. You should be able to keep yourself on top of things when it comes to your credit report. This is the basis of your credit score and if there are erroneous entries on your credit report, this could ruin your chances at getting a loan or even getting a job.

Have at least six months of a living expenses in the bank.

Always put something aside for emergencies. The amount in your bank account should be able to cover your expenses for at least six months or more. This should provide you enough buffer in case you lose your job or changes that might upset your finances.

Budget and save.

If you're making good money and are still in debt, you need to take a look at your personal finance habits more closely. Try to see how your spending looks and then build a budget that will cover everything; your bills, mortgages, car payments, living allowances and other necessities. Cut

back on unnecessary things and stick to your budget. Use your credit card only for big purchases. And lastly, learn to save. You're more likely to get your finances in order if you can discipline yourself enough to put aside a set portion of your salary into savings.