

Title:

Don't be Money Ignorant

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443

Summary:

There are some simple things that you have to know how to do. But it seems like no one ever sits down and teaches you. Balancing your checkbook, making wise financial decisions and handling debt are vital to your financial health.

Keywords:

money,saving,finance

Article Body:

There are some simple things that you have to know how to do. But it seems like no one ever sits down and teaches you. Balancing your checkbook, making wise financial decisions and handling debt are vital to your financial health.

I guess it's something that we make our mistakes and learn from. But today, the mistakes are costlier than ever. With credit cards targeting college students and debt problems affecting millions of consumers, every person should take the time to make sure that they and their children know how to manage their finances.

Why?

Have you ever stressed about money? I won't say that proper management will eliminate money stress, but it will certainly cut it back by around 90%. If you've ever spent hours fretting over where you will get the money to pay for bills or gas or whatever, you will truly appreciate the freedom proper financial management brings.

And the thing is, it is so simple. The first things you should know are how to balance your checkbook, what interest rates are and how you pay off loans and save for retirement. Do research before you buy a car or take out a loan.

After you've done a little homework, you can start understanding your own finances. Start with your bills. You need to not only know how to read them and pay them, but also what they mean to you financially. Make a list of your current financial responsibilities -- what you owe, who you owe and your

interest and payment amounts. Add to this list all of your expected financial liabilities, such as increases in insurance premiums or a new home purchase. Add in your daily expenses, such as food and gas money.

You've now completed the first step in your own personal family budget. This will be your blueprint of how you will spend and save. Add up all of your monthly income. Subtract your expenses you have listed from your income. The results should be a positive number. If it isn't, you are spending more than you make. You need to find places to cut back so that you don't fall further and further behind.

Many children believe that credit cards are a magic way to get what they want. They will buy everything. Adults should know better. Credit cards need to be paid off. This is your top priority -- you have to get out of debt. Don't charge anything that you can't pay back at the end of the month. If you can't resist the card, put it in your safety deposit box. You won't use it on impulse if it is hard to get to.