



Five Ways to Improve Your Financial Health

It's that time of year again — the time when we shift our focus to getting healthy and dropping those unwanted pounds. In addition to keeping your body in good physical shape, you should also take some time to gauge the health of your personal finances. No matter your current financial situation, below are some tried and true practices to help improve your financial health.



Create an emergency fund. One thing that's certain in life — unexpected events happen. Cars break down, health issues arise, and job losses occur. A rule of thumb is to have at least six months of income set aside for emergencies. Start taking a little out of your paycheck each month until you reach your six month cushion. You may even want to open a designated savings account so you won't be tempted to spend your extra cash.



Pay down credit card debt. Credit cards create bad debt, which can be harmful to your financial health. Pay it down by tackling the one with the highest interest rate until you've paid each one off. Be sure to pay more than the minimum payment so you can make a dent in the principal. If you have high interest rates, consider doing a balance transfer, which will move your debt to a lower rate and bundle everything into one monthly payment.

Remember to check on any associated fees first.



Save for the future. Are you saving enough for retirement? As a helpful exercise, use an online calculator to determine how much you should be saving in order to meet your retirement goal, and make it a priority to start setting aside that amount. Don't forget to save for other future expenses, such as your children's college fund. Talk to a financial planner if you need help getting started.



Evaluate your mortgage payment. If you've had your current mortgage for a while, you may want to do a loan review to see if you could save money. Whether it's increasing your monthly payment, making extra payments, or refinancing to a new loan program, there are options to help you save money and pay off your home loan sooner. Contact me to discuss your best options, and if you're renting, let's examine if purchasing a home would be a smart financial move for you.



Live within your means. As you grow in your career and start to earn more money, be careful not to let your spending increase along with it. Instead, focus on building wealth by finding a lifestyle that is comfortable and affordable. For instance — would your money be better spent on a luxury car or in an investment fund? Live within your means, and put your extra money toward things that will last, like investments, experiences, and your family's future.

Achieving the financial health you desire may take a little time, but you can get there one step at a time by implementing the above principles.

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If you or anyone you know is looking to buy a home or refinance an mortgage, contact me today.



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