



Money habits for 2022



How is your relationship with money? Do you need to make any changes going into the New Year?

A new year can bring new opportunities or allow you to continue to build off of the previous year's successes. How do you feel going into the new year with your finances? Are you hopeful, worried, confident, not sure, pleased, or not satisfied?

6 Money Habits for the New Year

1. Create clear goals

For example, let's say two of your 2022 goals are to read a book a month and get physically fit. For both of them, you need to write them down and come up with a specific plan to help you attain your goals.

A way you could do this is by establishing days that you are going to go to the gym, and then on your off gym days, you could read. This could allow you to maintain a healthy routine, and hopefully, it becomes a habit. The same can be said for your financial goals. You need to have goals and a vision for success.

We can help you create a financial plan based on your needs and wants to see you succeed.

2. Know your money personality

How do you deal with money? Are you a saver or a spender? Are you okay with taking more risk or less risk? Do you actively manage your finances or passive? Knowing your behavior towards money can help you succeed with your finances.

3. Be knowledgeable

You are consistently making decisions that will affect your financial future. The choices can be wise or poor. They can save you money or cost you money. It is crucial to be knowledgeable about your money if you want to flourish financially.

The understanding of loss aversion is key. Your fear of potential loss may outweigh your potential gain. Avoiding losses at all costs by holding your money in a savings account can be costly over time due to inflation.

Getting professional help will help you be more knowledgeable, reassure your decisions, and help you avoid making emotional mistakes.

4. Label money for specific purposes

It can be difficult for you to spend money on something you don't need if you already have it earmarked for something else.

Here is what that means. There is a mental difference between having \$15,000 with no labels and having \$15,000 with \$10,000 of it being for your emergency fund, \$4,000 for an upcoming vacation, and \$1,000 for random fun and entertainment. You now have a goal and purpose for every dollar.

You can create labels the old-fashioned way using envelopes, or certain banks are allowing you to create buckets within your account. Either way is fine. Just do whatever is the most efficient for you.

5. Let automation be your friend

Automatic saving and investing on a regular basis can help you establish an effortless way of putting away money for the future. This can allow you to stay on track with your financial goals no matter what is going on in your life.

This is a simple tactic that you can do starting this year to get your finances on track. You don't have to have large dollar amounts to start getting ahead. Start with a small amount now and slowly increase it over time. That can make a difference in your future if you have enough time.

6. Schedule time for your finances

Are you waiting for the perfect time to feel ready to do some financial planning? If you are, that time may never come. Don't have the "I'll get around to it" mentality with your finances. Time is one of the key factors in helping you financially. It can be more important to just get started instead of waiting for the perfect time.

Then once you get started, you will want to sit down at least once a year to see where you are at to make sure that you are on track for your goals.

If you want to make 2022 a better year for your money, consider implementing these six habits into your life. Once you put these financial habits in place, you can benefit from them for years to come. Treat your finances with the priority they deserve. I would be glad to work with you on building a plan for you and your future and helping you see it through!
