

# How to Manage Your Money



Handling your finances, the right way should be a priority, and it should drive your daily spending and saving decisions. Personal finance experts advise taking the time to learn the basics, from how to manage a checking or debit account to how to pay your bills on time and build from there.

Managing your money demands constant attention to your spending and to your accounts and not living beyond your financial means.

## **Money in the Bank**

Developing financial acumen starts with opening a bank account. Once you have a paycheck, set up direct deposit. This keeps your money secure and saves you from paying interest to cash advance companies which charge a percentage of your check.

Having a bank account provides convenience, access to a choice of benefits and safety. Checks and debit cards offer proof of payment, so you have a record of transactions showing where your money goes. The FDIC insures money in a savings account for up to \$250,000.

There are several options for the type of primary account for saving your paychecks. Most people choose a checking, debit or savings account or combination of those. These enable you to set up automatic payments for monthly bills and offer the ease of not having to carry cash around. Each option comes with certain benefits and disadvantages. Evaluate the various

overdraft, monthly, withdrawal and other maintenance fees accompanying account options.

Experts recommend you have a savings account which you can use for handling unexpected financial expenses and emergencies, such as a broken arm, flat tire or hike in school tuition.

Choosing to only open a checking or savings account can be a poor choice, as having the two types of accounts separate helps distinguish between money available for immediate spending and reserves, intended to be kept for the long-term. Keeping all your money in a checking account means your savings are easily accessible and available to spend. You will miss out on interest generated by a savings account.

With money in an account, you can start spending. This is where you need discretion. Learn to differentiate between necessities and luxuries. For example, you need to pay for your yearly dental cleaning, but you want to afford the salon appointment. Take advantage of mobile banking to get updates on how much you are spending and how much remains in your account.

The best way to leverage the cash you have in your bank account will be to start budgeting immediately.