8 Simple Ways to Keep Your Finances in Check This Year

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New Year’s is a time when people set unrealistic goals, ones that mostly have to do with dieting or fitness. But if you’re practical, a great way to start the year is by setting realistic goals that you can actually maintain.

A great place to start is with your finances. Although financial resolutions may sound hard, they are easier than you think. Here are some tips and tricks to keep your banking and money in check this year.

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1. Credit score is #1

Your credit score is your financial reputation, and this is the year to work on building it up. No matter what your score is, there is always room for improvement. So much goes into a credit score, including timeliness, usage, limit, inquiries, etc. So, focus more on minimizing your debts rather than on opening new accounts and spending up to your limit without paying back. By slowly adjusting your credit habits, you will start to see a positive change in your score.

2. On-time payments

This year is all about making your credit card or other loan payments on time. More often than not, people do not understand how important on-time payments are and what they

can mean for their credit score. A huge part of credit is timeliness, and it becomes a large factor in raising or lowering your credit. Paying on time does not have to be a huge task either! Automatic payments can be your best friend. They make sure that your accounts are paid without having to think or do much.

3. Organize and budget your spending

Unlike last year, you should start writing down and accounting for every dollar in and out of your accounts. While this may sound redundant and boring, writing out the numbers can help you see where all your money is going. This will allow you to categorize your spending and see exactly where you can cut costs and budget. By keeping track, you won't recklessly spend and will be aware of what is always coming in and out of your accounts.

4. Save! Save! Save! …. in a savings account

Everyone loves to discuss their savings and how they are always putting money away for the future. This does not have to be intimidating. After breaking down your spending, you'll be able to easily see how much you can save. This amount does not have to be an extreme or high number, it can be something small that will build up over time. If you put $20 each week, you'll have over $1,000 saved by the end of the year. With that, you can open a high-yield savings account that will earn you interest on the money you keep in the savings. This will not only help you save but also give you a return on saving.

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5. Think about investing

If Covid taught us anything, it’s that investing in different things can help you in the long run. While you don’t need to be an expert in the stock market or a crypto specialist, looking into different ways you can invest your money and diversify your portfolio may help build up your finances. But beware, investing is not a guarantee – make sure to not put your entire savings and trust into the markets.

6. Fewer inquiries in 2024

Many people believe that the more credit cards they have, the better their financial situation will be. Well, that is not technically the truth. While having several lines of credit may be nice and useful, every time a credit card company makes an inquiry on your profile, they report it to the credit bureau. In turn, this can negatively impact your score by bringing it down. This year, we want to improve your score, not lower it! So, stop shopping for more cards and focus on using the card(s) you currently have.

7. Improve your knowledge

Start making yourself familiar with the world of finance. You should not have to depend on someone else to give you advice on the best ways to save or spend your money. Find time to read more about credit cards, banking, investing, etc. Although it may seem boring, it can actually be very interesting to learn more about what you can do with your money to set yourself up for success. Make this year about becoming financially independent and confident in your financial decisions.

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8. Side hustles are all the rage

If you have learned anything from 2023, it’s that side hustles are the new normal. People everywhere have been finding new ways to bring in a new stream of income passively or actively. This can help you give yourself a little more breathing room if money is a little tight, or it can be a great way to contribute to a savings account. There are plenty of websites and articles with examples of different hustles that you can start doing to build up your income.

By doing all of this, or even just one, you can drastically change your financial position in 2024. Whether it’s improving your spending habits or saving more money, any of these tips can help bring you closer to financial freedom and success this year. Small adjustments can result in the biggest changes.

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