

7 Steps for Financial Progress

Start saving \$1 a week — and keep adding more money each week

Start on January 1 and put it in an envelope (and do not remove it). Gain a little traction by adding another dollar to the envelope “bank” each week. In early February, you're saving \$5 that week. By the last week of December, you will save \$52 that week. If you can do that consistently, at the end of the year, you should have \$1,378 in savings!

If you just can't get the amount up to \$52 each week, that's okay, but get it to the highest level you can handle and keep it there. You'll still be surprised at how much you save.



Is it easy? Not really. Often, you need to set up a reminder. Know that even if you fall short, you're establishing a savings pattern. It is a beginning.

As you do this, add to it. Set aside every extra \$1 or \$5 bill you get. People who do this routinely save \$500 to \$750 every year before Christmas.

Set aside cash for non-emergency emergencies

If you own a car, there are going to be repairs. If you own a home, you know that there are going to be expenses and repairs. How old is that water heater anyway? If you have children, you know they're going to break or lose something, and it is always something important. They will certainly need clothes, food and a lot more. If you own a 10-year-old refrigerator, you know it may/will break down. While these may not be life-threatening emergencies, they are important parts of life and potentially disastrous hits upon your wallet.

Consider the bigger bills that can hit you in the previous twelve months and start saving a set amount each month. If you have a \$2,000 medical deductible each year, try to set aside \$167 each month. Do the same for car repairs, home repairs, extra spending on children, etc.

Be willing to miss a big sale

You have not saved money if you pay half-price on something you don't really need and may never use. That is not a bargain for you.

Thinking this way may cause you to miss some bargains. But it's better to avoid temptations than splurge.

If you're trying not to spend money, do not spend Saturday at the mall. Marketers are very, very good at coercing you to spend "just a little." Go back to an earlier idea and don't spend that \$5. Instead, put it in your envelope.



Review your bank and credit card statements for recurring charges — look for the fee you pay for a service or for monthly box of something — and cancel what you don't value or use. Then add that money each week or month to your envelope.

Don't lose money chasing quick fixes

Credit repair scams target those with bad credit. But hold onto your wallet and boost your own credit score — pay bills on time, pay off your credit card debt, don't borrow any more money, don't charge more than you can pay each month on your credit cards, don't open a new credit card at every turn.

But do not close all your credit cards

While it's tempting to start the New Year by canceling each and every credit card, it's possible such a drastic action could drive down your credit score and in the long run, negatively impact wise Biblical stewardship.

Roughly 31% of consumers surveyed think that closing unused accounts is good for credit, according to a Capital One Credit Confidence Survey. But the average age of your accounts is a significant part of credit scores, so it's often important to keep the oldest cards open. But use them sparingly, and never use them unless you are able to pay the full balance on time every month.

Put that attractively-priced prime rib back in the grocery store freezer

Yes, that prime rib looks wonderful and it is calling your name! However, reflect on any impulse purchase at the supermarket. To avoid impulse buys, always eat before you shop. Then stick to the aisles that offer fruit, vegetables, lean meats and dairy. Not only will you benefit by eating healthier foods, but your budget will say "thank you."



Get a copy of your annual credit report

See www.annualcreditreport.com to make sure that an identity thief did not open accounts in your name. You can get free reports from TransUnion, Experian and Equifax.

Then, at the end of the year, count the money in that envelope. Then open a savings account (to make it harder to get to that money you have saved and spend it when the inevitable temptation arises) and start over again for the next year.

As important as all of this, thank God for His faithfulness to you throughout the year. It isn't really your money; it is the money He allowed you to earn and keep. Give to Him, He is worthy.

