



### **Q: I'd like to focus on improving my finances in 2020. Where do I start?**

**A:** A new year is a wonderful time to make important changes in your financial life. Lucky for you, you don't have to go it alone. JM Associates FCU can help!

We've broken down several of the most popular financial resolutions into three concrete steps and outlined the ways JMAFCU can help as you implement each change into your life.

#### **Build a budget**

Why it's crucial: Creating and sticking to a monthly budget will force you to be accountable for your spending while giving you a clear picture of your financial reality.

##### **In 3 steps:**

- Track your spending over three months.
- Using a spreadsheet, or a personal finance app, divide your expenses into categories. Use an average of the last three months to list the amount of money you need for each expense. Set a reasonable spending limit for each category.
- Going forward, track your spending and stick to your preset limits of each category.
- If your budget reveals that your monthly income doesn't cover your expenses, look for ways to cut back.

#### **How JMAFCU can help:**

Stop in to speak to a JMAFCU staff member for help with managing your money or visit our

website, under resources to use BudgetSmart, our members only budgeting tool.

#### **Get out of debt**

Why it's crucial: Carrying long-term debt can mean paying a lot of interest. It can also devastate your credit score.

##### **In 3 steps:**

- Make a list of your outstanding debts from smallest balance to largest.
- Review your monthly budget and look for ways to cut back.
- Work on paying off your smallest debt with the money you trimmed from your budget. Once you've paid off that debt, move on to the next smallest. Repeat until you are debt-free.

How JMAFCU can help: If you're carrying multiple debts with high interest rates, consider a personal loan to help simplify your debt payments. This way, you'll only have one low-interest loan to pay each month.

#### **Start saving**

Why it's crucial: Living without a safety net means a relatively small unexpected expense can throw off your finances and force you into debt. Savings can also fund your long-term goals and dreams.

##### **In 3 steps:**

- Review your monthly budget. Find ways to cut back, such as shopping with cash only or cancelling unnecessary subscriptions.
- Use the money you've saved to open an emergency fund and a long-term savings fund at JMAFCU.
- Set up an automatic monthly transfer from your JM Associates FCU checking account to your JMAFCU savings accounts so you never forget to feed your savings.

#### **How JMAFCU can help:**

You can open a JMAFCU savings accounts with an initial deposit as low as \$5.00. Your funds will start growing immediately at our great dividend rate.

