

Best Practices for Money Management

1. Balance income and expenses. Make a written plan. Most spending plans are either weekly or monthly. As you estimate expenses, be sure to include: fixed, variable, and periodic expenses.

Additional information: MP171 *Household Account Record*, FSHEC42 *Financial Fitness Series: Shape Up Your Spending*

2. Calculate debt load. Debt load should be no more than 10-15%. Divide total monthly debt payments by your total monthly income. Find your best debt repayment plan at powerpay.org

Additional information: FSHEC44 *Financial Fitness Series: Trim Your Credit Line*

3. Check your credit report. Monitor your credit report to watch for mistakes, fraud, or identity theft. You can order a free report annually from each of the three bureaus: Equifax, Experian, and TransUnion. Spread them out and order one every four months to keep a more constant check on your credit. Order from www.annualcreditreport.com

Additional information: FSFCS55 *Credit Reports and Credit Scores*

4. Know your credit score. Your credit report is free but you have to pay to receive your credit score. Scores range from 300 to 850. Over 700 is a good score. The higher the better.

Additional information: FSFCS55 *Credit Reports and Credit Scores*

5. Save for emergencies. An emergency fund is your safety net. Work toward saving at least 10% of your income. Set an initial goal to build a fund of \$1,000. Then, set a larger goal. Most experts recommend having enough money to cover at least 3 to 6 months of living expenses.

Additional information: FSFCS43 *Build Your Savings*

6. Plan for retirement. Start now to ensure a secure retirement. Maximize contributions to an employer provided retirement fund, if you have one. Maximize allowed contributions to an IRA. Minimize debt and work toward retiring debt free. Save and invest to increase future wealth.

Additional information:

- *Building Financial Stability* available free at www.courses.uaex.edu
- www.uaex.edu/Money
- Follow on Facebook and Twitter [uaexMoney](#)
- *Small Steps to Health and Wealth*
- *America Saves*

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