

How to Stay True to Your Financial Resolutions

Maintain your money goals with these easy steps.

You can improve your money habits.

It's one thing to make New Year's Resolutions, it's quite another to stick with them. In addition to your fitness and professional goals, you should also consider making a list of financial resolutions to improve your spending habits.

We all have our weaknesses, especially when it comes to money. The occasional splurge here and there can quickly become a weekly treat and suddenly, we're not saving as much as we said we would. Despite the low percentage of people who stick to their resolutions beyond the first week of the new year, you can improve your financial habits in 2016. Don't let the quitters get you down.

Sticking to your resolutions begins with making smart resolutions. For example, resolving to save more than half your paycheck each month is unrealistic and likely unattainable for some people. If you're looking to pad your savings account and meet your financial goals for this year, these easy tips can help you maintain your financial resolutions.

Know Your Worth

You might not be Bill Gates, but knowing your personal net worth offers a big picture of how you're doing. When you get ready to budget, you'll want to know what your overall finances look like in order to set realistic goals for the entire year. After all, it doesn't make sense to say you'll save 20 percent of your paycheck if you need that money to go toward your rent or groceries. Evaluating your net worth may be discouraging if you haven't looked at your finances in a while, but it can help you to set smart goals that will get you to a solid financial standing. Determining your net worth is fairly simple: it's all your assets (cash, investments, etc.) minus your liabilities, or everything you owe in debts.

Establish SMART Goals

Of course you'll want to establish smart goals, but SMART is actually an acronym many financial planners use when they advise clients. Financial resolutions need to be specific, measurable, achievable, realistic, and time-bound; break down your goals into smaller pieces that you can actually accomplish. Make your goals as specific as possible so you have a clear sense of direction and purpose, with occasional milestones along the way to help you measure your progress. A time-sensitive goal pressures you into consistently working toward your goal, so try setting your goals to be met within a week. With SMART goals in place, resolution-makers will feel like they are accomplishing small wins that have measurable impact on their finances.

Automate Your Payments

Almost all aspects of your financial life can be managed online. You can link up your credit cards to automatically pay your monthly bills so you never worry about missing a payment again. Additionally, if you set up automatic withdrawals from your checking account into your savings or retirement account, it makes it much more difficult for you to use your savings for everyday activities. If you still don't fully trust automatic payment systems, try setting up weekly calendar reminders to nag you about bill payments and depositing cash into your savings account. Set a regular schedule for all your payments to help you stay on track to accomplish your financial resolutions in a year.

Reassess Monthly Priorities

Get into the habit of setting aside some time at the beginning of a month to go over your financial priorities. Take some time to review at least one of your major credit reports and identify your monthly spending trends that may need adjustments. Your financial needs change from year to year and it doesn't hurt to re-evaluate your spending habits. If your savings account is suffering, consider reducing the amount of money you dedicate to going out and redirect those savings toward a retirement account. If you notice that you're spending a lot of money eating out all the time, try preparing your meals in advance or bring lunch to work. Some months you may need to make additional sacrifices if you go over your monthly budget, but get in the habit of reassessing your finances at the beginning of the month.

Track Your Spending With an App

Nowadays, there's an app for virtually everything and there are plenty to choose from when it comes to budgeting and investing in your finances. Some apps like Mint will break down your debit card spending into various categories so you can identify where you're overspending and where you could be saving. Other apps like Acorn or Raise help teach individuals the basics of investing their spare change. With so much of our spending taking place online with various credit cards, it can be difficult to keep track of where our money is going. An easy-to-use mobile tracker can help you budget every month without the hassle of using a spreadsheet and monthly breakdowns are conveniently delivered to your phone or email.

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