



## How to Organize Your Financial Life

**Managing your personal finances can sometimes seem like an overwhelming task. But you can start the process with a few easy steps that will help you take control of your finances and work toward a brighter financial future.**

You can begin organizing your finances by laying out your priorities, tracking your spending, and determining your net worth. From there, you can start to make intelligent choices that can help you achieve your goals and improve your lifestyle.

**Decide your financial goals.** You need to know what you hope to accomplish in order to get your financial life in order. What are your priorities? Is it saving for your child’s education, your retirement, or perhaps your own home? The first goal should be to establish an emergency fund that can sustain you for several months if you lose your job. Write down clear goals and a timeline to achieve them.

**Track your spending.** It’s impossible to take control of your finances if you don’t know how much you are spending each month. A good exercise is to carefully track all your spending for one month and find out where all the money goes. Do you spend a lot on fancy coffee drinks or lottery tickets? Are you meeting your goals for saving and spending? Use a simple spreadsheet to track and analyze how you spend your money.

**Create and follow a budget.** Your budget reflects your financial priorities and applies them to your spending habits. With a realistic budget, you make conscious decisions on how to spend your money. You can use a budget worksheet to show your sources and expenditures of cash for the month, and to adjust your spending to achieve your objectives. Several personal financial apps are available that make budgeting and tracking very simple.

**Calculate your net worth.** The total of your assets minus your liabilities is your net worth. Think of it as a scorecard on how you’re progressing toward your long-term financial goals. Calculate your net worth by imagining how much you’d have left over if you sold all your belongings and paid all your debts. You can use this number to inform your budget, refine your financial goals, and gain control of your financial life.

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