



PENNSYLVANIA  
**TREASURY**  
Earn. Learn. Invest.

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[www.patreasury.gov](http://www.patreasury.gov)

## TOP 10 TIPS FOR MANAGING YOUR FINANCES

- 1. Track your monthly spending.**  
Many people do not know how much they spend each month on food, clothing, housing, or entertainment. Whether you are paying with cash, a debit card or credit card, total your expenditures at the end the month to gain a better picture of how you're spending your income.
- 2. Develop a household budget you can follow.**  
Using the data you've compiled by tracking your monthly expenses, develop a realistic budget so that it's easier live with. Track how well you follow it each month – that means continuing to track your monthly expenses.
- 3. Be sure to budget for savings.**  
Your savings are a Rainy Day Fund, which is important when unforeseen expenses or emergencies arise. Be sure to budget part of your monthly paycheck for deposit into a savings account – ideally at least 10% of each check. If you find or earn extra money – put that away in a savings account, too!
- 4. Pay your monthly bills on time and avoid late charges.**  
Take inventory of your regular monthly bills and make reminders for yourself on when each bill is due. That way you can avoid costly late fees, which can also damage your credit score. The best approach is to pay bills as soon as they arrive.
- 5. Review your credit report.**  
The details of your credit report can have an enormous impact on your financial future. Obtain a free report once a year at [www.annualcreditreport.com](http://www.annualcreditreport.com), and check it for accuracy. Be sure to dispute any errors.
- 6. Obtain your credit score.**  
Your three-digit credit score tells lenders and businesses how well you manage your credit and your finances. Scores range between 500 and 850. The higher the number, the better the rating and the better chance you have of obtaining credit at a better rate. You can purchase your credit score through any of the nationwide credit reporting agencies after receiving your free annual credit report at [www.annualcreditreport.com](http://www.annualcreditreport.com).
- 7. Eliminate credit card debt.**  
Credit cards can make it easy to pile on debt. If your debt adds up faster than you can pay it off, you're likely living beyond your means. Stop using the credit cards and pay off existing balances – the sooner you do, the less you'll pay in interest. Remember: not all debt is bad; taking on loans for higher education or to buy a home is really an investment in your future.
- 8. Take advantage of free money.**  
If your employer offers a contribution match for retirement savings or health savings accounts, be sure that you're contributing enough to obtain the maximum match amount. Otherwise, you're missing an opportunity for free money. Maximizing your contributions can lower your taxable income.
- 9. Assess your insurance policies.**  
Insurance is an important tool for protecting against financial hardships, and the premiums you pay can be one of your top household expenses. Talk with your provider to be sure you have the appropriate level of protection – that way, you're not paying too much for coverage.
- 10. Use legitimate financial institutions.**  
Millions of people do not rely on traditional banks or financial institutions to manage their money. Open a checking and/or savings account at an FDIC-insured bank, savings and loan, or credit union. Be sure to research whether there are any fees for their services before choosing an institution.