20 Ways To Be Smart About Your Money

When you're in your 20s, it's easy to ignore the topic of money. As long as you have enough money coming in each month to cover rent and pay a few bills, everything is fine. But once you reach your 30s and adulthood becomes an absolute reality, there's no more room for messing around. It's time to get serious about your money.

If you didn't take your 20s seriously, your 30s is when life gets real. Mortgages, marriage, children, and positions of leadership replace rent, late nights with friends and part-time jobs.

Whether you realize it or not, the financial decisions you make now will have a long-term impact on your future. And even if you don't have a particularly high financial income, there are some things you can begin doing today to pave the way for a brighter future tomorrow.

Better money management can require a change of attitude, mindset, and behavior. Even if you are not in your 20s or 30s anymore, these tips will let you be smarter about your money. Here are 20 ways to advance your financial education as you gear up for years to come.

1. Check your accounts daily
   Log into your Mobile app every day to stay on top of your account balances. You'll be surprised at how enlightening this little daily ritual can be. Knowing your balances/transactions daily will help you live within your means. You know exactly if you have money you can spend or not. Living within your means is very important. Even if you have $10 left at the end of the month, it's a start to living within your means. Another good reason to check your accounts daily is to help detect any error or fraud early and stay ahead of the game.

2. Make a realistic budget
   A budget is the basis of any useful financial plan. Give every dollar a purpose so you know that your expenses are covered on a monthly basis. Map out how much you want to spend on groceries, gas, and other regular expenses to set some parameters. By balancing and limiting these expenses, you'll create the financial habit to stay within your means. According to Fidelity Investment, one of the most common recommended budget percentages is the "50/30/20" budget. According to this budget percentage breakdown:

   50 percent of your monthly income should go to your needs: Place items like housing costs, groceries, utilities, healthcare costs, and transportation expenses into this category.

20 percent of your monthly income should go to savings and debts: Include everything from your student loan and credit card payments to retirement savings and emergency fund contributions.

30 percent of your monthly income should go to discretionary spending or wants: Items such as going to restaurants, vacation expenses and gadgets fall into this category.

There are many different recommended budget percentages, but ultimately you need to evaluate your personal financial situation to choose the best budget for you. It's more likely that the best budget for you is a combination of several different recommended budgets that you will tweak over time until you find the perfect one for you.

3. Be thoughtful about your goals
   Think about what you want to achieve with your money. Which goals drop into the short-term bucket? Which ones are long term? After defining these timelines, you can tailor the appropriate financial plan to meet your goals.

4. Stay on top of your credit score
   Experian, TransUnion, and Equifax can each provide you with a free credit report annually, upon request. Also, periodically check your credit score to verify any changes. You could have become a victim of identity theft and you'd have no idea unless you review your credit report. Your credit is a big deal, so keep a close eye on it.

5. Shift your thinking
   The future can be a scary thing to think about, especially when it comes to money. So, make decisions today that will positively impact your life tomorrow. Think about the long game and make your future goals a priority.

6. Develop a habit of saving and investing
   Do you have a rhyme or reason for how much or how often you save? What about investing? By building a saving and investing plan directly into your budget, you can make these practices part of your routine. Doing this through automatic deposits makes it even easier. As we all know emergencies happen. A good rule of thumb is to have three to six months of expenses set aside in an emergency fund or account in case you lose your job, are unable to work, your heater goes out, your car needs repairing, your break a leg, etc. It's best to be prepared in an emergency situation.

7. Learn about your financial services options
   Look at your checking account, savings account, debit cards, etc. What fees are associated with each? Minimum balances? Interest rates? Charges or fees for using an ATM or other bank? Transferring money? Make sure you know the ins and outs of all your accounts.

8. Stop procrastinating
   How long would your boss keep you around if you ignored work tasks you really didn't want to do? Not long! Some money tasks aren't the most exciting use of your time, but the attention you give them will go a long way toward developing and maintaining a solid financial plan. Know about your job's benefits. What kind of pension or 401K plan does your job offer? Health insurance? Vacation? Sick days? Any kind of tuition assistance or student-loan forgiveness plan? A gym membership? Know all your options and explore them thoroughly.

9. Know the deal with debt
   Did you know there's such a thing as good debt? That's any debt you incur on an investment that could grow in value, generates long-term income, or was borrowed at a low interest rate. For example, taking out a 30-year mortgage to buy a home is usually considered good debt since the home's value could increase over time. That's much different than having lots of credit card debt – which usually means a high interest rate on purchases that depreciate in value or have a short shelf life. Consider refinancing higher rate debt into lower rate debt to pay it off faster.

10. Know when to treat yourself
    Let's face it: saving money can be hard sometimes. But you don't have to always feel like you're counting pennies! It's important to know when to steer off the path and reward your own good behavior. Treating yourself to an occasional reward will make it much easier to stick to your plan. Think of it as a cheat day for your money.

11. Bucket goals into separate accounts
    There are lots of hands pulling at your paychecks each month. Between recurring bill payments (mortgage/rent, student loans, insurance) and everyday expenses (groceries, gas, entertainment), it can be hard to keep track of it all. An easy way to simplify your cash flow is to open accounts for specific uses. For instance, you could have one checking account for all bills and a second account for everyday expenses. The same goes for savings. Open one account to save for a new car and a second account to save for your upcoming wedding. That way you can clearly see how much you have saved for each goal and how much further you have to go.

12. Stay up-to-date on financial news

Keep an ear on the latest developments concerning the prime rate, regulation changes, and market trends. Mix in a financial podcast during your morning commute or listen to your local news station. This exposure will help sharpen your financial education.

13. Listen to different points of view
Don't just search for advice that affirms what you already believe about money management. Seek out alternative viewpoints to broaden your perspective. Who knows, maybe something you hear will resonate.

14. Revisit your plan regularly
Even the best financial plans need to be revisited every so often. Make it a habit to review your financial progress every 6-12 months. For example, do you have enough cushion to save more for a certain goal? Are you spending too much in a certain area? Take a hard look at how your plan is performing so you can make adjustments if needed.

15. Don't make money talk taboo
Now, we're not suggesting you make your salary public knowledge. But don't shy away from learning about money among your friends. Maybe your best friend has a great saving tip to share. Perhaps your sister uses a great budgeting tool. Sure, certain money matters can be sensitive so use your discretion. But don't be afraid to learn something new or share your own tips.

16. Put your money to work for the future
Is your money working hard enough for you? Keeping all your savings in a standard savings account could have you missing out on higher returns. For example, you could keep your emergency fund in a standard savings account, lock your short-term savings in a certificate of deposit, and invest your long-term savings in stocks or other securities. This means learning about ways to invest your money, whether it's contributing to a 401K, a traditional IRA, or a ROTH IRA or maybe even a money market account.

17. Do a digital cleanup
Are you still being charged for a membership you don't use? Did you forget to cancel a free trial offer and end up auto-enrolled in a monthly or annual subscription? Go through your account statements to catch and cancel any of these recurring expenses you no longer need.

18. Use joint accounts appropriately
Just because you're married doesn't mean all your money should go into your joint checking account. Joint accounts are great for covering mutual expenses, like groceries and bills. Each of you can also have money in your own accounts to

spend (or save up) however you'd like. That can eliminate a lot of tension if one spouse is a saver and the other is a spender.

19. Invest in your health
    When money is tight, it's hard to justify increasing your budget in any area. But those that impact your health are probably worth it, such as buying healthier groceries or signing up for a gym membership. It might seem expensive now, but these purchases could lower your risk for developing chronic health issues that'll carry much larger costs later in life.

20. Maximize tax breaks
    Are you taking full advantage of the tax breaks at your disposal? Contributing money to a 401(k) or Traditional IRA helps you plan for the future with tax-free dollars. The same goes for a Health Savings Account or other reimbursement accounts that help you save for health expenses. Know how much is taken out of your paycheck for taxes each month. Know ahead of time if you need to set aside some income to pay your taxes later. Know about deductions and how to file your taxes.