

spring clean

YOUR FINANCES

Article provided
by the CCCS of
Rochester



After a long, cold winter, spring cleaning is in the air, and fresh starts mean new possibilities. What better time of year is there to clean out your finances and look to the future?

To help you get started, here are five ways you can declutter and refresh your financial health:

1. Budget Refresh

Revisiting your budget at least once a year allows you to reevaluate your financial allocations. And what better time than spring if you didn't do it right after the holidays? If your current budget isn't working, you might want to try a different approach. There are various methods for budgeting that might work better for you, like the 50/30/20 technique, where you put 50% toward necessary expenses, 30% toward discretionary costs, and 20% toward savings and debt payments.

2. Get Rid of the Paper

Spring cleaning your finances can also mean ditching the paper—in more ways than one. First, clean out any old financial documents and put them through the shredder. If you have important docs you need to keep, choose one location to put them in or use an app like Scannable, Adobe Scan, or Microsoft Lens. It's also a good time to go paperless with your credit cards, bills, and loans, not only because it makes it easier to keep track of your accounts but also because you'll be helping the planet.



3. Review Your Credit Report

You should also run your credit report at least once a year. This will allow you to review your overall credit health, check for any errors, and ensure there isn't anything you need to dispute. You can access your three credit reports (Equifax, TransUnion and Experian), for free by visiting www.annualcreditreport.com. You won't get your credit score, but it's not necessary if you are just checking for what is being reported and if there are any errors listed.

4. Start Saving Now

Try implementing the 80/20 rule, which says 80% of your monthly income should go to household necessities while 20% goes toward savings. Consider portioning a percentage of your savings toward holiday spending. Too often, people forget about it right after the holidays and don't start thinking about saving until October or November—and by then, it's too late. This way, you won't start the new year in debt after the season is a wrap.

5. Spring Clean With Debt Management

Enrolling in a debt management plan is one way to ensure you get out of credit card debt. Credit counseling agencies employ certified credit counselors who can help you better understand your finances and how long it will take to pay off your credit card debt. Through a debt management plan, your counselor will work with your credit card companies to reduce your interest rate and consolidate your unsecured debt into one monthly payment. As you spring-clean your finances, it's a good time to refresh and revisit your goals for a cob-web-free financial year.