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Financial Fitness Tips to Improve Your Money Habits

Finances & Debt

5-minute read



You probably spend a lot of your time thinking about your physical fitness, but how often do you think about financial fitness? It's never too late to get your finances in order, get out of debt and improve your financial literacy. To learn to be savvier and smarter with every dollar, follow these nine tips.

Financially fit tip #1: Forgive and forget your past financial problems.

Dwelling on the past is not going to change it. It's going to be tough to get financially fit if you are focused constantly on mistakes you made last year, last week or even this morning. You're only human, so you're going to make mistakes. Still not quite ready to let the past go?

Say it with us: “I forgive myself for being out of control and ordering the venti latte when I only budgeted for the tall,” and move on.

Financially fit tip #2: Learn from past mistakes.

Now that you have forgiven yourself for past mistakes, ask yourself what you learned from them. Maybe you racked up too much debt over the holidays by making a few too many impulse purchases. What can you do differently to avoid that in the future? The financially literate reflect on their mistakes and most come to the same conclusion about what they need to do: start budgeting.

Financially fit tip #3: Create a streamlined budget for financial freedom.

Few people LIKE to budget, but it’s a good habit to get into. Even if you’re not living paycheck to paycheck, a budget is a good idea because it helps you stay on track throughout the year. If you follow only one of these financial tips this year, make it this one; create a budget and learn to stick to it. Keep in mind that budgeting is just like any habit — it will take some time and practice before you get it right.

Financially fit tip #4: Allow room for indulgence.

One of the best ways to throw your financial fitness right out the window is to become too strict. We all need to indulge a little to stay on track. If we constantly deny ourselves the things we love the most, we will eventually cave into the pressure and unhappiness and make huge mistakes. If you were dieting and decided you would never, ever again drink your favorite red wine or eat your favorite cookies, you’d probably last all of a few days before you broke down and gorged on two boxes of cookies and a whole bottle of wine. Studies have shown that willpower is a limited resource — you can only resist so many temptations before you will give in. This applies not only to temptations of food and drink but also financial temptations as well.

The best financially fit, savvy minds in the world will tell you that you have to make room for indulgence in the budget to keep you on track. Add in a date night or a vacation here and there. Reward yourself when you hit a savings goal with a night out or a movie.

Financially fit tip #5: Spring clean your budget.

Do you send 300 text messages a month but pay \$20 per month for unlimited messages? Find a plan that better fits your average usage. Are you paying \$180 a month for satellite television and all you've watched in the past six months is season after season of your favorite shows on Netflix®? Cancel your satellite. A little spring cleaning makes for a happy budget, and we recommend that you periodically do just that to save a few dollars here and there.

Financially fit tip #6: Live by the 24-hour rule.

Great financial literacy often begins with a simple question: Do I really need this item right this second? The 24-hour rule helps you avoid impulse buys and unnecessary purchases. If you see something while browsing online that you believe you just have to have, put it in your online cart and walk away from the computer. Leave it there for 24 hours to give yourself time to think about the item. After 24 hours, you will know for certain whether it's something you truly need or just something that you want.

Financially fit tip #7: Make financial planning fun.

If you're having fun while you get your finances into shape and improve your financial literacy, you are much more likely to stick with your budget. Think of it like this: does doing the same boring fitness routine every day motivate you to get in physical shape? You probably have more fun when you can change it up and swim, bike, jog with a friend or head to a CrossFit class.

Getting financially fit is the same way. One great way to make budgeting more enjoyable is to make it a competition. For example, challenge your husband to see who can come up with the least expensive but most delicious dinners for a week. Challenge your wife to see which of you can go all week on one tank of gas, or who can save the most amount of money all month. When it's a game and there is a title (winner) at stake, it's a lot easier to enjoy your budgeting than when it's just a series of no's.

Financially fit tip #8: Make yourself accountable to someone else.

It's easy to cut yourself some slack if you splurge on an item or go \$10 over your budget this week — but those little mistakes can add up fast. Find a friend and get financially fit together, or declare your intentions to someone else. If you have someone to check in on you to see if you are working toward your financial goals, you're more likely to be successful.

Financially fit tip #9: Take advantage of technology.

One of the easiest ways to revamp your finances is with a few great apps. Find what works for you, download it and then use it. There are apps that track your coupons for you on your phone so that you can use them when you walk into a store without digging around your bottomless bag. There are apps that track your spending and send you big, bold, red messages when you go over. There are apps that pretty much do everything for you so that you can sit back, relax and save your money. Find one — or two — and let them work for you.

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