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fascinating facts

Financial Management and Independent Living

Knowing how to manage your personal finances is an essential skill to have to live independently as an adult. Manage your money so your money will not manage you.

1 Manage your personal finances

Managing your personal finances involves all the choices you make about how you earn, spend, and save your money. Regardless of how you receive income, remember the golden rule for managing finances is “Spend less than you earn.”

2 Start managing your personal finances now

Managing your personal finances will look different at different stages of your life. Developing good financial habits early can help you meet your future goals and live more independently.

3 Understand needs vs. wants

Needs are things you must have to live, and wants are things that you CAN live without. Knowing the difference between needs and wants can help you better manage your finances.

4 Track your spending

Know where your money is going by creating a spending plan. Explore tools that can help you with budgeting and saving your money.

5 Choose a bank or credit union

Both banks and credit unions offer financial services but have different interest rates and fees. Decide which one is best to help you manage your money, and check your account balance regularly.

6 Set financial goals

You need to set both short- and long-term goals to be financially successful. Short-term goals are those that do not require a great deal of money and can be reached in six months or less. Long-term goals are those that need at least a year to reach and require more funds than are currently available for expenses.

7 Exercise wisdom when using credit cards

Credit cards are convenient to use in place of cash but are not free money. A good rule for using credit cards is to make sure you do not charge more than you can pay back in a month.

8 Open a savings account

It is important to save for financial goals. A savings account like an ABLE account allows you to save for both short- and long-term goals.

9 Learn more!

You can learn more about financial management in our free, self-paced course, [Get Ready for Independent Living](#).