

Helpful Financial Habits Checklist

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Building financial habits should be approached like training for a marathon: **one session at the gym won't make you a champion**. It is the same with money: achieving big financial goals requires you to form consistent, effective habits.

☐ Habit #1. Goal setting

There's nothing wrong with dreaming! **But it's much easier to achieve your desires when they are clearly defined and written down somewhere close at hand**. Re-read your list of goals regularly so you know exactly whether you're heading in the right direction or not.

☐ Habit #2. Making and keeping a budget

This will help you to understand **where your money is going and help you to control your spending**. Start by simply categorizing your income and expenses to see what you can cut back on without reducing your quality of life. We'll talk about how to create a detailed budget in one of our course lessons. But right now, you can go to your bank's app and track which categories of spending are taking up too much of your total income.

☐ Habit #3. Studying the topic of finance

You will never know everything there is to know about personal finance, **but you can work hard to learn as much as you can and regularly put that knowledge into practice**. You need to constantly immerse yourself in the topic and take note of updates, because the pace of modern life is too fast. New knowledge, stories and examples from people's lives will help you to stay motivated and teach you useful lessons that will help you to get the most out of your relationship with money.

☐ Habit #4. Putting a fixed amount into a financial cushion each month

Unforeseen expenses can take anyone by surprise, but an emergency becomes even more unbearable if you are not financially prepared for it. That's why **you should create a habit of setting aside a fixed percentage of your income as an "emergency fund", or financial cushion**. Even if it's for some pleasant expenses, you'll feel much more comfortable when you have the equivalent of at least a few paychecks in reserve.

☐ Habit #5. Cutting out small expenses that don't bring value or satisfaction

Keeping a record of all your incomes and expenses throughout the month can reveal where funds are being spent that are not making you happy or useful in the long run (e.g. daily takeaway coffee purchases, subscriptions to unused services). Reduce or eliminate expenses that don't align with your priorities. **By cutting them off, you can redirect funds to more important goals**, such as savings, debt repayment or investments, which will contribute to your financial well-being.