

Checklist for Adopting a Financial Literacy Lifestyle

If you have a hard time managing your money responsibly, someone may tell you that you are “financially illiterate.”

Unfortunately, financial literacy is not a class you can take at school, and it isn’t something we all inherit from our parents. But it is absolutely essential as a skill for adulthood. Thankfully, it is also something you can learn at any age. The following steps will help you to practice financial literacy in your day-to-day life.

- ✔ **1. Open the accounts you need.** If you do not have a basic checking account, you are trying to get by without the most basic financial tools. If possible, open a savings account too.
- ✔ **2. Learn how to do monthly accounting.** This is probably the most vital skill you can learn when it comes to financial literacy. Track all income and expenses. Learn how to identify areas of flexibility. Search for ways to reduce expenses and increase income.
- ✔ **3. Start with cash and debit.** Before you rush into credit, practice getting by with just what you have. This will get you in the habit of finding creative, sustainable solutions to financial problems and avoiding unnecessary debt.
- ✔ **4. Graduate to credit when you are ready.** Building credit is important when it comes to loans, apartment applications and more. Start establishing credit once you know you can control your spending.
- ✔ **5. Make savings a priority.** Your goal financially should always be to focus on putting as much aside for retirement as you can.
- ✔ **6. Understand debts before taking them on.** Before you take on any form of debt, make sure you fully understand the short- and long-term consequences.
- ✔ **7. Educate yourself on taxes.** Make sure you are fully compliant with all tax regulations. Taxes may be one of your largest expenses.
- ✔ **8. Learn how to invest.** The last and most complicated step to financial literacy is to learn how to make wise investments toward your future.



You now have a start toward becoming financially literate and enjoying the rewards that follow. Best of luck to you on your journey.