

Fast Financial Fixes

If 2020 has taught us nothing else, it's taught us to prepare ourselves — and our finances — for just about anything. In our current pandemic world, the news seems to shift constantly. One day it will seem like the market is doing well and the next day the market stumbles. Along those same lines, employment news has good days and bad days. So that means it may be a good idea to boil down your financial strategy to one word: flexibility.

With the idea of financial flexibility in mind, there are some very quick and relatively easy ways to put your finances on a more stable path as we all continue to navigate what's likely to be many more months of personal and economic uncertainty.

Fixing a low credit score or squirreling away the money you need for a happy and content retirement can take a lot of time — decades, in fact — but the smaller and faster ideas we're going to discuss today can still be powerful steps. I chose today's topic after reading a *U.S. News and World Report* article, [25 Fast Financial Fixes](#).

The article's first piece of advice is to review your credit card statements. But don't review them in a cursory way, really sit down and spend some time analyzing what you've been purchasing. If you're like nearly every other American, you've made some unnecessary or impulsive purchases. Don't beat yourself up about it, because as I said, it happens to almost everyone. But by taking the time to go through your credit card statements, you reduce the risk of forgetting a purchase or repeating the same purchasing mistakes in the future.

Another quick way to tighten up your finances may be with your tax return. If you're getting a big tax return each year, you may want to consider adjusting your withholdings. This is an area where it might really make a lot of sense to work with a financial services professional because they'll have the experience to help you make tax decisions and overall financial decisions that are going to be beneficial.

Bundling your insurance is another great way to streamline your finances and keep a few more bucks in your pocket each month. Working with one company for your home, auto and other insurance products may improve your rates. And let's face it, the more business you do with one company, the better they're likely to treat you.

And, as watching just a couple of hours of nightly television makes clear, there are plenty of insurance companies out there. So, if you aren't getting what you consider a fair rate, don't hesitate to shop around. Let's say you're able to find a company to handle all of your insurance needs for a \$120 less per month than you're currently paying. Over the course of a single year that's \$1,440. I'm guessing most people could put that kind of money to good use.

You may also benefit from periodically calling your cable company to lower your rate. In a world where cord-cutting is becoming increasingly common, cable companies are going to play ball when it comes to keeping your business. And, to your point, don't focus on what you're saving per month, focus on what that monthly savings means over the course of a year or even longer.

And don't be afraid to walk away if the cable company doesn't give you a rate that you're comfortable with. YouTube and Hulu have live TV options that may give you the programming you like at a significant savings.

Since we're chatting about technology, this is a good time to note the potential benefits of using digital money trackers like Quicken or Mint to keep an eagle-eye on your spending. It's one thing to keep a mental tally of what your spending looks like, but that's only going to do you so much good. For example, if you go out for lunch every day it's easy to tell yourself that it's only \$12 per day. But if you use a tracker, you'll quickly realize that \$12 every day for 20 work days per month is \$240. And over a year? That's \$2,880.

The next potential quick fix is requesting a free copy of your credit report. You can get a copy from each of the three credit-reporting bureaus by visiting annualcreditreport.com.

Make sure all of your reported debt is accurate and that you don't have anything outstanding that you'd forgotten about. Your credit score is a valuable way to get a sense of your current financial standing. If your score is lower than you'd hoped or expected, you may consider focusing like a laser beam on eliminating your largest debt.

Another small but ultimately important thing you can do is set up an automatic savings stream. It's simple. Determine an amount you want taken out of your paycheck that automatically flows into retirement savings. When it's automatic, you don't have to handle transactions or schedules, you can just sit back and know that you're making a very wise financial move.

You may also want to get yourself an online piggybank. Popular tools like Acorns and Digit move spare change into an account designed to help you reach your individual savings goals.

Speaking of banking, I think it's always a good idea for people to consider moving their money into high-yield savings and checking accounts. And don't forget that you aren't obligated to stick with traditional banks. Online-only banks are becoming increasingly common and they often provide better yields on both savings and checking accounts than do traditional banks.

Nobody's going to get rich off the interest they earn in their savings or checking account, but why not get the best yield you can? Never, ever leave money sitting on the table.

And when it comes to leaving money on the table, a common way to do exactly that is not fully taking advantage of your various employer benefits. If your company offers a 401(k) with an employer match and you aren't maxing it out, you're simply letting money that you're entitled to float right past your nose.

If you aren't sure how to go about setting up your 401(k), reach out to your company's human resources team. They'll be able to answer your questions and guide you through the process. This is another area where working with a financial services professional may make a lot of sense.

I think this next tip is really great and may ultimately prove very helpful. Log into your credit card accounts and find the tab that allows you to request a credit limit increase. No, I'm not setting you up to have more credit card space for that trip to Ikea. Having your limit raised, and then never using that extra spending space, may boost your credit score because it improves your amount of credit utilization.

I really love the idea of having your limits raised and then not using that extra money as a way to boost your credit score. To me, that's just fairly using the system to your advantage.

When it comes to credit cards, set yourself up for autopay. That way you never miss a payment. Auto payments are really a great way to make sure you're paying your bills on time. In fact, it may be a smart play to go into all of your accounts right now and increase your various auto pay amounts by say \$20. You may be surprised by how much a little payment boost helps you get out of debt faster.

And, if you can, pay your balance off each month, that way you won't pay interest.