

# How To Get Financially Organized

Did you know that being financially disorganized can hurt your wallet just as much as being broke? Or, even worse, messy money might lead you to *becoming* broke – and it won't take long, either.

The key to financial success is getting organized, and we'll tell you how to do just that.

## Make a Budget and Review it Monthly

You can't get organized if you don't know where you stand with your money, and the best way to know your financial standing is to make a budget.

A lot of people dread making a budget, thinking that it'll confine them to a boring lifestyle, but it actually allows you more freedom all the while knowing you're not overspending. You'll be surprised by the sense of relief that comes with knowing where your money is at all times.

Many people follow the 50/30/20 rule for budgeting. When using this method, 50% of your net income goes towards your needs, 30% goes towards wants, and 20% goes toward savings, investments, or paying off debt. As long as you create something you can stick to, you're on the right track.

While it's important to commit to your budget, it's also important to realize that it can shift from month to month. The amount you owe in bills may change, you might need to save for a certain outing, or your student loan repayment amount might increase. These are all details to consider on a monthly basis, and you should adjust spending accordingly – most likely within your “wants” spending category.

## Create a Routine for Payday

Most people's money goals hinge on their paychecks, which is why it makes sense to create a payday routine. To create a payday routine:

- Carve out time dedicated to reviewing your paycheck when you get paid, like 15 minutes per day. While you look at your check, keep your important financial documents handy.
- Check your bank account to make sure your check was direct deposited – the last thing you want is to spend money that isn't actually there.
- Make sure your automatic savings transfers occurred.
- Make a digital or paper copy of how much money is going to each of your budget categories.

## Shred Old Financial Records

Clutter is the enemy of organization. One way to safely get rid of old records you're sure you don't need anymore is to shred them.

After all of your old, unused documents are destroyed and out of the way, you'll be able to look at everything current with a clearer lens. Interra Credit Union hosts Shred-It events throughout the year where members can bring old documents that need to be shredded. [Keep an eye on our Events page](#) and [our Facebook page](#) for details on the next one.

## Set a Goal for Savings

Savings are a key component of meeting your financial obligations and building wealth. No matter what you're saving for — [retirement](#), buying a home, an emergency fund, or a fun vacation — it's wise to have a plan and [establish SMART goals](#). SMART is an acronym meaning specific, measurable, achievable, relevant, and time-bound.

To establish these types of goals, look at how much time you have to save the sum you need. Once you have that information, calculate how much you'll need to put away from your check each week or month, then build that amount into your budget so it's never a surprise.

Reminder: [automated savings are helpful](#) for goals like this because they don't require any action from you. There's no chance of the system forgetting to move the money like you might during a busy time of year.

## Establish an Effective Bill-Paying System

Keeping track of due dates is half the battle of paying bills, which is why it's beneficial to set up an automated bill-paying system.

The average American's monthly bills include water, energy, mortgage/rent, insurance, phone, internet, streaming services, car payment, a credit card, and more – and it's very unlikely that all of these expenses are due on the same date. If you're not organized, you're likely to miss a few, and late payments affect your credit score if they're made more than 30 days after the due date.

An automated payment system removes the risk of paying late. Most systems make it very easy; just go on the company's website or give them a call to set up the service.

At Interra, we make bills easy with our [Bill Pay Services](#). You can pay your bills from anywhere, at any time, along with scheduling automatic recurring payments, making one-time payments, making person-to-person payments, and much more. It's easy to set up through [online banking](#) or using [Interra's mobile app](#).

If you prefer not to have automated payments, make a habit of paying bills with upcoming due dates whenever you get paid. This is a great way to make sure all of your bills are paid on time and you can keep track of your budget at the same time.

## Take a Look at Your Insurance Policies

If you don't [shop around for insurance quotes](#), you could overpay big time. If you review your insurance policies and get quotes from other companies, you'll get the necessary coverage at the best price. So, when you need to renew your policy, don't just do so without critically thinking and getting quotes from multiple companies.

Another great time to review your policies is after a major life change, like divorce, retirement, or marriage.

## Communicate With Your Significant Other

Communication should be your top priority if you share expenses with a spouse or a significant other, because a payment could easily bounce if you're not sure of how much they've been spending.

You should both come up with a spending plan together. Your budgeting should also be a joint effort so you'll always be on the same page when it comes to your finances.

## Make a Plan for Debt

If you've got high-interest debt to worry about, you'll quickly realize how big of an impact it can make on your financial goals. You'll want to pay off that debt as quickly as possible and free up your funds.

Here are a few pointers on how to organize your debt:

- List all of your debt (including credit cards, student debt, mortgages, auto loans, and personal loans) in one place.
- Write notes next to your debts that include the total balance, interest rate, minimum payment, and monthly due date.
- Make the minimum payments on all your debts while focusing on making extra payments on one debt at a time. You might start with knocking your smallest balance out first, or you might choose to focus on [the debt with the highest interest rate](#).

## Put Finance Review on the Calendar

Once every few months, [take some time to do a financial check-in](#). More than budgeting, you'll want to see what's happening with your investments, what automatic payments have been processed, and how you're progressing towards your goals.

Pick a date, write it on the calendar, and follow through on the commitment to yourself and your money.

## Organization Brings Relaxation

Getting your money in order and continuously staying on top of it will prevent crises from popping up, and it'll also help you to feel more in control of your finances. At Interra Credit Union, that's what we want – for your money to be completely in your control!

If you'd like support in creating a plan for your finances, don't hesitate to [reach out to us](#). We'd be glad to help you organize your money and, in turn, organize your life.