

Financial Literacy Everyone Should Know

I feel like as a whole society **we need to improve our financial literacy**. This not only could improve your own life but also our families and the community as a whole.

I would consider financial literacy crucial for many reasons. People should **understand their cash flow, student debt, mortgage, car loan, insurance coverages, and retirement accounts**, to name a few. It can be difficult to have a good grasp on all of that information and still work your job and live your life.

7 Financial Areas To Know Better To Make The Quality Decisions With Your Money

1. Cash Flow/Budgeting

There is no way to make financial progress **if you are not spending less than you make**.

If this is something you struggle with, you pretty much only have two options. Make more or spend less.

It helps to automate things such as savings, payments and investing. Then spend what is leftover.

2. Debt

Avoid bad debt at all costs. This could be credit card debt, certain auto loans, and other **loans with high interest**.

Pay off your credit card balance every month, so this means only buying stuff if you can afford it.

And weigh the pros and cons of only making the minimum payment on the low-interest debt.

3. Insurance

The goal of insurance is to **lessen the odds** of a major life event derailing your financial future.

Insurance probably shouldn't be used as an investment.

Insurance and investments are crucial for financial planning but serve different purposes.

4. Investing

You don't want to overcomplicate investing. **Start with the basics.**

Why do you want to invest in the first place? What is your time horizon? What account makes the most sense for your goal?

Then understand the risks and potential rewards of your investments.

5. Retirement

This can be a nerve-racking time for people if they are not prepared for it.

How are you going to afford a lengthy retirement? The best thing to do is to **start planning today!**

6. Taxes

They seem to be one thing that is certain besides death.

The goal is to pay the lease amount over your lifetime legally, not just this year.

This could mean taking advantage of Roth IRAs, tax loss harvesting, donor-advised funds, tax credits, deductions, etc.

7. Estate Planning

Get the estate documents done before you think you need to.

It can make everything easier for your loved ones.

If you don't deal with these things every day, it can be hard to understand what you should do to set yourself up for success. I would love to take our relationship to the next level!

[Schedule a Meeting](#)