



10 Steps to Financial Health



A Guide For Achieving Financial Well-Being

Welcome to our ***10 Steps to Financial Health, a Guide for Achieving Financial Well-Being***. We developed this resource to provide guidance on actionable steps you can take now to establish good credit habits and build a better financial future.

At CreditSolver, we've seen firsthand how poor credit can have a devastating impact on a person's ability to get ahead in life. It not only limits their ability to obtain loans and other lines of credit, but it can also be a roadblock to better housing and employment opportunities.

We hope that you find this guide to be a valuable resource. If you have any questions, please don't hesitate to contact our credit coaching staff. We're here to help you make better money decisions and reach your financial goals!

For more information or to schedule a coaching session, please visit [CreditSolver.com](https://creditsolver.com). You can also reach us at info@creditsolver.com or call 877-381-3010.

Sincerely,

The CreditSolver Team

1. Accept Responsibility

The first step in developing better money habits and improving your financial outlook is to accept responsibility for changing your current situation. This will require you to take a hard look at the behaviors that contributed to your financial problems. You'll need to identify unhealthy patterns and be willing to make serious changes. Things will only get better if you commit to making healthy choices and ditching old habits.

2. Check Your Credit Report

Next, you'll want to get copies of your credit report and review it for accuracy. The Fair and Accurate Credit Transactions (FACT) Act gives you the right to receive a free report from each of the three major credit bureaus: Equifax, Transunion, and Experian. If you stagger your requests, you can actually get a free report every four (4) months.

If you find errors on your report, be sure to submit a dispute letter and provide any supporting documentation. By law, the credit bureaus must investigate your claim and present you with the results. The credit bureaus will correct any information that proves to be inaccurate or false.

3. Take a Look at Your Finances

Once you commit to changing your old patterns, you'll need to get a clear picture of your finances. Start with gathering all your financial documents. This should include, but is not limited to, bank and credit card statements, loan agreements, utility bills, and any other income or expense documents. It's important that you know how much money is coming in, as well as going out.

MAKE A PLAN.

4. Track Your Spending

One of the best ways to improve your financial health is to track all your spending for a minimum of 30 days. This will give you the full picture of where your money is going and help you create a budget. You can easily track your spending by keeping a journal or using an Excel spreadsheet. Just be sure that every receipt is included - no matter how small.

5. Set Financial Goals

Before you create a budget, it's a good idea to determine your short-term and long-term financial goals using the SMART method:

S = Specific. This could be something as simple as saving \$100 or more ambitious like paying off \$2500 in credit card debt.

M = Measurable. I will set aside \$10 every month.

A = Achievable. If I cut out Starbucks® twice a week, I can save the money needed.

R = Realistic. Instead of getting fast food for lunch, I will make my lunch at home and bring it to work.

T = Timely. I will save enough money for vacation in 12 months.

6. Create a Budget

Now that you have financial goals and a clear picture of what money is coming in and going out, it's time to create a budget to help you achieve your goals. The coaches at CreditSolver can help you with this task or you can use one of the many free budgeting apps available online.

7. Reduce Your Spending

The only way you are going to achieve most of your financial goals is to reduce your spending. You can do this by making small changes, such as planning out your weekly meals, making a grocery list (and sticking to it!), and using coupons whenever possible. Other ways to save include looking into cheaper phone, internet, and/or cable plans, and refinancing your home (if rates are lower). If you need to purchase clothes or furniture, consider buying used items to save some cash.

8. Pay Down Debt

Now that you're finding ways to reduce your spending, it's time to put that extra cash to work by tackling your debt. There are two ways to approach paying off your balances. The first is to start with the smallest balance and work your way up. The other way is to start with those that have the highest interest rate. Either way is fine, just choose whichever works best for you.

9. Start Saving!

Don't forget to pay yourself when you create your monthly budget. It's always a good idea to have money set aside for unexpected emergencies and to help plan for retirement.

10. Perform Quarterly Checkups!

Your financial well-being is a work in progress. It will take time to reduce your debt, build savings, and improve your credit rating. To ensure you stay on track, review your finances and budget every three (3) months.