



HOW TO MASTER YOUR MONEY



The MHV Guide to Mastering Your Money





FOUR WAYS *to* MASTER YOUR MONEY



1

Set S.M.A.R.T. Goals

Saving for the future tends to be easier when you have a specific purpose in mind. Creating S.M.A.R.T. goals focuses on:

- Making sure you have a **specific** savings goal defined
- Setting aside a dollar amount that is **measurable**
- Determining how much you need to save to make your goal **actionable**
- Asking yourself if the money you'll be setting aside each week or month to reach your goal is **realistic** and **time-bound**

Once you have listed and quantified your goals, you need to prioritize them. For example, you may find that saving for a new home is more important than buying a new car. To help avoid getting off track, you should set up a special savings account to begin automating your savings.



2

Pay Yourself First

When creating your monthly budget, it's important to think about setting aside money for your own savings before you begin to divide up your income to expenses. Saving 5-10% of your gross annual income can be much harder than it sounds if you're currently living from paycheck to paycheck without any real opportunity to get ahead. You can begin by creating a solid spending plan after tracking all monthly expenses. Once you figure out how you can control your discretionary spending, you can then redirect the money into a savings account. For many people, a good way to start saving regularly is to have a small amount transferred automatically from your paycheck to a savings account.



3

Automatic Savings

An automated savings plan makes it easier to build toward your goals and establish an emergency fund. Automate savings by taking a portion of your paycheck and having it directly deposited into your savings account. It is best to schedule this deposit to coincide with your payday. You can even set up multiple savings accounts for specific purposes, such as a holiday purchases and vacations.



A person wearing a pink t-shirt is shown from the chest down, leaning over a light blue surface. They are carefully stacking copper coins into several tall, vertical columns. There are many loose coins scattered around the base of the stacks. The background is a plain, light-colored wall.

4

Maintain an Emergency Fund

Before you begin to explore investments, you should make sure you have at least three to six months' worth of expenses saved in an emergency fund. Keeping it liquid will ensure that you don't have to sell investments when you have an emergency. If you have trouble deciding how much you need to keep on hand, begin by considering the standard expenses you have in a month.

SETTING *and* REACHING YOUR GOALS

My Most Important Money-Related Goals for this Year:

1. _____

2. _____

3. _____

Make sure each goal is:

1. Specific
2. Measurable
3. Actionable
4. Realistic
5. Time-bound

What's motivating me to reach these goals? _____

How will I reward myself for reaching these goals? _____

SMALL STEPS FOR EACH MONTH

JANUARY

Set Your S.M.A.R.T. Goals
for the Year

MAY

Make Sure you Have an
Emergency Fund

SEPTEMBER

Start Saving Your
Loose Change

FEBRUARY

Pay Yourself First – Save 5-10% of
Your Gross Monthly Income

JUNE

Shop and Compare
Insurance Rates

OCTOBER

Review Your
Budget

MARCH

Automate Your
Savings

JULY

Create a Goal to Eliminate
Credit Card Debt

NOVEMBER

Start Using MHV's
My Money TrailSM

APRIL

Read a Personal
Finance Book

AUGUST

Contribute to Your
Workplace Retirement Plan

DECEMBER

Open a Holiday Savings
Account for Next Year



MID-HUDSON VALLEY FEDERAL CREDIT UNION

Federally Insured by NCUA