

Building Your Personal Finance Checklist

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Most experts will advise people to understand his / her own financial situations in order to have a better financial planning. It is even more important if you are in debt. You need to understand your situation thoroughly so that you can plan how you can repay all the debts. As a matter of fact, it is always a good idea to have a debt free life!

The problem here is, what can you do in order to understand your current financial situation? Of course you can find a personal financial planner to help you in this respect. However, in most cases you may not want to spend the money on this issue. As a result, you will try to do it yourself. In fact, it is not difficult for you to investigate your own financial situation. You can create a finance checklist of your own and you will have a deeper understanding about your current situation.

In fact, it is quite easy to create the checklist. What you need to do is to write down some numbers! Of course these numbers represent certain amount of money.

Without any surprise, the first thing you need to write down is your monthly income. You have to write down all the incomes including salaries or other form of income such as interest from your time deposit.

The next step is to understand your expenses. It may not be so easy for you to write down your monthly expenses. As a result, you will need to do some homework before you can do it. You should try to keep a small notebook and drop down all your expenses everyday. You will at least do it for a month so that you can have a rough idea on how much you spend every month.

Then it comes to the debts. You may just omit this part if you are now debt free. What you need to know is the amount of debts you have. It is also important to calculate the total minimum monthly payment. This is also part of your expenses.

You should also write down the assets you have now. These include your cash, bonds, stocks, home etc.

Now you will have a rough idea on your financial situation. You may need to rearrange your assets so that you can pay off the debts. Of course if you have a lot of surplus every month you may probably consider repaying it monthly say for two to three years.

Then you will try to do the same process again after you have paid off all your debts!

The author has great interest in finance. You can check his blog on Loans News Finance Forex. Be sure to check Commercial Mortgage Leads Tips and Online Forex Trading Education.

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