

Entering Your 30s? Here Are The Financial Practices You Should Follow To Build Wealth

Living paycheck to paycheck isn't anyone's dream. As the cost of living keeps increasing, it is essential to plan for financial stability and, eventually, financial freedom.



Moving into your 30s likely means being bombarded with new responsibilities like family dependency, loans, EMI, insurance, kids, etc. And the list goes on. As such, it is important to be cautious and avoid any careless financial steps that could stunt your financial growth and make you financially stagnant in the coming comings. Your 30s is the time to get smart with money. It might take some discipline to adopt sound financial habits, but they are sure to help you build your wealth. Here are some simple financial goals to pursue as you venture into your 30s.

Create a budget and stick to it

Spending frivolously can keep you from pursuing your financial goals. Hence, create a budget and stick to it. The idea is to know where your money is flowing. Once you are aware of your spending habits, you can make sound financial decisions.

Even small expenditures like eating out or shopping can affect your financial plans in the long run. To stick to wise spending habits, document your expenses. Jot down how much you spend and what you spend your money on. Keep the receipts and check your expenses at the end of the month. Over time you will understand where your money is going and refrain from impulsive buying.

Pay your debts

Student loans, automobile loans, and credit cards- all these expenses have high interest. As such, you should try to clear these debts as early as possible, or else the high interest rates and repayments will hover over your head, eating up your hard-earned money. Write your debts in ascending order, irrespective of their interest rate. Pay the minimum amount for all the debts. But for the smallest one, pay as much as possible every month. Once you clear your smaller debt, move ahead to the next ones.

Think long-term investments

Investing your money is one of the most sensible financial decisions you should make in your 30s. Educate yourself on all the investment options available at your disposal. Share markets, mutual funds, treasury bonds, etc, are some high-yielding investments. Experts suggest putting at least 70% of your savings into mutual funds, index funds, and stocks to let them grow.

Use insurance for risk management

Use insurance as a risk management tool. With products such as auto insurance, health insurance, home insurance, or life insurance, you save yourself from getting into a major financial crisis. If you can't bear the idea of filing paperwork or undergoing the long and tedious process of buying insurance, then don't fret. [Salty, a high-growth insurance technology company](#) , provides quick insurance when you need it the most.

Save for emergency

Life can throw challenges anytime. It is only sensible to keep yourself financially ready to deal with the jolt. Create an emergency fund. Decide a minimum amount you should keep in it. Keep adding a set amount from your paycheck every month until you hit the base amount. Then, create incremental goals based on your expenses. According to experts, your emergency fund should be equal to 3 to 6 months of your living expenses.

Save for your retirement

While the 20s might seem too early to save for retirement, you should definitely begin saving in your 30s. Once you have paid off all your debts, start saving for retirement. Or better, don't wait to pay your debts. Even putting a small amount aside every month will make a big difference. While creating a budget, determine the amount you can spare to put in your retirement fund.

The bottom line

Being smart with money is something that everyone should learn before they turn 30. If you want to be wealthy and lead a safe and secure life, learn these financial lessons and adopt

these simple habits to shoulder the full weight of adulthood. Make it a point to strive for these goals from the day you turn 30.



By Finance Monthly On Jul 19, 2021