

## - Personal finance

# Healthy financial habits this 2023

BusinessMirror · 10 Jan 2023 · B3 · Karlo Biglang-awa Karlo Biglang-awa is a registered financial planner of RFP Philippines. To learn more about personal-financial planning, attend the 99th RFP program this January 2023. To inquire, e-mail [info@rfp.ph](mailto:info@rfp.ph) or text at 0917-6248110.

ENTERING a new year is always a fresh start for each one of us to set goals especially in the aspect of personal finance. It's like starting off with a blank sheet of paper and you are free to draw the ideas that you want to execute. Though our goals will not happen overnight, it's better to keep track of small progress which will contribute to the bigger picture.

Here are some five financial goals that we can set and tips to make it happen.

1. Increase your savings. We may be coming from a big chunk of expenses from the holidays but remember to start a healthy cash flow as you enter 2023.

If your savings account is not yet where you want it to be, think of strategies that will help you be consistent in setting aside a portion of your income. opening a separate savings account will help you not to use your money and just peg it for future goals. If you're just setting aside your savings in your payroll account, there's a greater change that you will withdraw it in case you need certain funds in the short term.

In the event that your monthly cash flow is not sufficient for you to set aside, then you may consider doing a part time job that can give you extra cash or doing a buy and sell business after office hours.

2. Pay off credit card debt. The holidays can be a season of expenses and if you exceed your budget most probably you used your credit card. Starting the year by setting goals to pay your debts will be an advantage as you move forward.

You may set a timeline on how to pay your debts, for example, you can allocate 10 percent of your income to pay a portion of debt for the next six months to 12 months. This way you can eliminate bad debts and focus on building your cash flow. 3. Build your investment funds.

The stock market always has its ups and downs and we have seen that in the past year. At this point in time you may start investing if you still haven't tried it as long as you are familiar with the platform that you will use.

A good example is investing through mutual funds handled by top fund management companies. This is an advantage for you to build your passive income as you also focus in building your career and business. If you have financial goals and you want to beat inflation rate, then you need to start your investment journey. Always remember to have a diversification strategy so you can minimize the risks and maximize returns.

4. Prepare for your retirement. The key to prepare for retirement, which is the longest holiday of our lives, is to start as early as you can. Many people realize this too late which is when they are already retiring in less than five years.

If you're a Millennial like me, have you thought of the lifestyle that you want when you reach the age of 60? This is when you don't have much energy to work in the corporate world. or maybe if you have a business, you are already slowing down and thinking of succession planning.

A good retirement plan can help you live a decent lifestyle without being a burden to the next generation. As much as possible, we still want to bless the younger generation of the family since we will use our funds in our daily expenses as senior citizens.

Stuff like medical expenses and daily food expenses are still significant. If you will ask this amount from your children who are already raising their own family, it will be a hindrance for them to move forward

and achieve their goals too.

5. Create a health protection plan. Have you ever thought of plans that can pay your medical expenses instead of withdrawing your savings? If yes, then you should start as early as you can.

Health insurance plans are very accessible in banks and insurance companies and are much cheaper if you are younger and healthy. As we all know, the more we grow old, we are more prone for certain illnesses. As much as possible we want to grow old strong and healthy but then again, the perspective here is to protect our family from unnecessary expenses because of unforeseen events.

As we all start a brand new year, we can be hopeful and take small actions for the benefit of your family and community. Do not be overwhelmed of what lies ahead but just enjoy every moment and plan so you can create a domino effect in the coming months and have a meaningful year of 2023.