30 PERSONAL FINANCE HABITS EVERYONE SHOULD FOLLOW

ABIDING BY SOME GOLDEN RULES CAN HELP YOU KEEP AND GROW YOUR MONEY. IT'S EASIER THAN YOU THINK

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1. Take advantage of your employer's flexible spending account. These accounts not only reduce your tax liability but also act as a quasi-savings plan.

Not everything is covered by your employer's health-care plan. A flexible spending account (better known as an FSA) is pretax savings that can be applied to health-care expenses outside of your network. The funds can be withdrawn tax-free for out-of-pocket costs like childcare and visits to chiropractors and psychologists. And because contributions are pretax, employees can look at FSAs like a tax write-off resulting in hundreds of dollars saved per year.

2. Pay attention to mortgage interest rates—even after you buy a home. People who fail to do this may miss out on refinancing opportunities that could save them tens of thousands of dollars over the life of their loan.

3. Never buy anything on impulse. One of the best ways to help prevent impulse buys is to make a shopping list and then stick to it.

4. Pay your bills online when possible.

Not only is it instantaneous, but paying bills online also guarantees that the money is safe and secure compared with a snail-mailed check. And of course there's the environmental benefit of eliminating paper bills. This method of paying also means that all payments are kept in one place. Plus, a bank account isn't always required, so in some cases you might want to pay with a credit card and earn points. Yes, it's generally a bad idea to cover one debt with another, but remaining vigilant about paying off those charges can be a nice way to boost airline miles or cash bonuses.

5. Ignore credit card convenience checks that arrive in the mail. They usually come with high fees that make them extremely expensive.

6. Save part of your income for retirement. Try saving at least 10% from every paycheck. It's never too late to start.

Save upwards of 10% of your paycheck is always a good idea. But the latter advice here probably matters more. Never saved a dime in your life? So what? Start now. Even at age 40 with nothing in the bank, setting aside $18,500 each year—the maximum that workers can contribute to a 401(k) in 2018—with a return rate of 7% will equate to roughly $1 million by age 65.

7. Keep the money in your wallet to a minimum. You can't spend (or lose) cash that you're not carrying.

8. Have an exit strategy when investing. Without one, it's tough to recognize the right time to cut your losses—or take your profits.

9. Never assume past performance guarantees future results.

Had a killer year of freelancing? Congrats. But take a step back: is that work flow—or its level of compensation—going to continue? It usually isn't your fault, but markets that boom also tend to bust. Perhaps, if you will, look at your future earnings the way a farmer might: rainy years, even several in a row, are often followed by dry spells if not outright droughts. So if, say, you're planning for a 30-year mortgage, take the mean of your earnings from the previous five years (better yet: the previous 10) and then apply it to what can be afforded. It's better to be pleasantly surprised than to be left house poor. Remember: death and taxes are as certain as things get.

10. Take advantage of automatic paycheck deductions. Not only do they ensure that you pay yourself first, but they're an easy and painless way to save for retirement.

Sync your paychecks with a bank account to eliminate any lag, and take out savings and retirement before you even have a chance to spend it. Plus, all 401(k) accounts are deducted pretax. (If your tax bracket will be lower in retirement, experts recommend a 401(k) account rather than a Roth IRA.)

11. Read all contracts before signing.

It's tempting to fly through all that paperwork when a new apartment or car is just minutes away. But slow down and read the fine print. Breaking a lease can cost thousands; pushing mileage past its limit (usually 36,000 over three years) can cost up to 20 cents a mile. And there is rarely a negotiation—written contracts are legally binding in every state. Tip: when in doubt, ask a lawyer or at least get a second opinion. If a salesperson says that you can't or that there isn't enough time, walk away entirely.

12. Review your credit card statements for errors and erroneous charges.

In 2016, more than $24 billion was fraudulently charged to consumers' credit accounts worldwide. It's no one's idea of fun to pore over transactions of overpriced coffee, but learning that several hundred dollars of unauthorized payments have gone through stings worse. Just . . . do it. Once a month, read over your credit card statements. You'll sleep better.

13. Increase your 401(k) contributions every time you get a raise.

This should be a no-brainer, and most large companies automatically adjust this for employees. But take it a step further. Each year, boost your contribution by one percentage point with a cap of 18%. *Forbes* notes that if a 35-year-old earning $40,000 annually raises her initial 6% contribution by one percentage point for a dozen years, after 30 years, assuming a 6% growth rate, she'll have saved $576,000. And that's with no change in salary.

14. Properly maintain your car. By following your car's maintenance schedule and paying a little upfront, you'll reduce the risk of encountering more costly major issues down the road.

15. Pay bills on time. By doing so, you'll avoid spending money on needless late fees—and they add up.

Set this up automatically. There's a 29% chance that a bill's due date falls on a weekend—a time when thinking about paying bills isn't likely to be on your mind—so why even risk missing it and subjecting yourself to late fees? U.S. credit card companies are legally allowed to charge as much as $38 for payments that are even minutes past due (and trust us, they will take advantage of that). Paying late fees is little different from withdrawing money from the bank and lighting it on fire. Which is illegal.

16. Use your credit card to buy things only if you can pay it off in full at the end of each month. It's not as good as paying cash, but it's close.

17. If you absolutely can't pay your credit card in full each month, then at least pay double the minimum. Here's a credit card fact: making minimum payments each month will ensure you pay the maximum interest. Sadly, many people don't realize the outrageous costs of interest. For example, if someone owes $2,000 in credit card debt at 18% interest, paying the minimum of $50 per month will in the end cost $1,077 in interest payments. That's more than half of the original bill! (Not to mention that it will take more than five years to pay off.) The solution? Double the minimum. In the same scenario, paying $100 a month will bring the interest to $396 and will take only two years.

18. Leverage "good debt"—loans that let you buy things that will increase in value or lead to a higher income. Taking a course, for instance, could teach you the in-demand skills you need to earn a raise or promotion.

19. Don't rely on Social Security as your primary source of retirement income. Among retirees, Social Security currently pays an average of less than $17,000 a year. Plan now to supplement that with a mix of IRAs, a 401(k), other savings and home equity.

20. Avoid the use of payday loans to cover temporary financial shortfalls. Eliminate monthly shortfalls by following a budget and maintaining an emergency fund.

21. Avoid playing the lottery. There is a reason the lottery is known as the "stupid tax."

If you live in the U.S., the chances you'll be struck by lightning in a given year are about 1 in 700,000. The chances you'll win the Powerball this year are roughly 1 in 175 million. In other words: no, you aren't going to win. Period. Your cousin's friend's uncle's nephew's neighbor who lives in Oregon hit the jackpot last year? Cool, good for her. You won't. Give the money to charity instead.

22. Never overpay for insurance. For example, why pay the higher auto-insurance premiums for low deductibles if you rarely make claims?

23. Fully understand stocks and other financial instruments before investing in them.

24. Buy a new car—or better yet, a newer used car—and keep it for at least 10 years.

Buying new cars is costly because they can lose upwards of half their value by the time they are three years old. Carfax says that the moment a new car leaves the lot, it loses 10% of its value. From there it only gets worse. On average, a new car depreciates 60% in its first five years. The sharp decreases level off, but the point stands: buying a new car is like dropping half your paycheck on a pair of jeans—you better wear them for a long time. Jeans may not stay good for 10 years, but your car can, so to get your money's worth, hang on to it for at least that long.

25. Optimize your 401(k) account every year. Diversifying and balancing your allocations will minimize your losses in the event of a major market downturn.

In other words: don't make the same investment bet year after year. Markets change; stocks rally and fall. Safeguard your investments with balance. That said, younger people can afford to ride big swings—if there's a big loss, there's time to recover. Once you reach retirement, move some of your savings into a less-volatile mutual fund. As Warren Buffett once said, "The goal of the nonprofessional should not be to pick winners—neither he nor his 'helpers' can do that—but should rather be to own a cross section of businesses that in aggregate are bound to do well."

26. Remember to comparison shop when you can.

27. Negotiate. Whenever the opportunity presents itself, get the best price.

28. Maintain an emergency fund. Everyone should have between three and six months of living expenses in the bank.

Remember the earlier advice: one good year doesn't mean another. Again, while it might be out of your control—layoffs and illnesses happen—sometimes even the most talented, hardworking folks find themselves between jobs and with no steady income. Did you know that 57% of Americans have less than $1,000 in savings? Don't be one of them. Begin putting away even just 12% of your monthly paycheck (tip: do so automatically through your bank); in three years, that will amount to more than four months' worth of income.

29. Avoid interest payments whenever possible. In practice, this means paying off debts before someone else makes (more) money off of them. Sometimes you need January to pay off some of that holiday spending. One month is allowable, but just don't make it a habit and let purchases sit for too long. If you can't afford to pay off the full amount in a month (mortgages, car payments, etc. aside), think twice, because the true cost begins to escalate quickly. A painful but necessary reminder: a $75,000 graduate-school bill will, in the end, cost about $100,000 after interest is paid.

30. Treat your household like a business.

By taking an active role in managing finances—and looking at ways to maximize your income—you'll ensure a solid financial future for you and your family. Maybe you'll relax enough to stop biting your nails.

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