

My Money

6 Ways to Keep Your Financial Resolutions

By [WISE BREAD](#)

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Quickly after toasting the New Year, our annual resolutions become toast. Good intentions become buried under the daily pressures of life and bad habits.

"Most people think that their financial problems revolve around not earning enough [money](#) to make ends meet," said Louis Scatigna, author of *The Financial Physician*. "The truth is, everyone can improve their financial health...and they don't have to make a dime more than they are making today in order to feel more financially healthy."

[In pictures: [10 Ways to Improve Your Finances in 2011](#).]

Here are six ways to improve your finances in 2011:

Do the math

It's crucial to calculate your net worth, Scatigna said. To do so, subtract your total debt from your total assets. The remainder represents your net worth. "The goal is to grow your net worth each and every year," Scatigna said.

Create a budget

The typical family can reduce average expenses by 5 to 10 percent without feeling too much pain, Scatigna said. Look for excess spending by tracking expenses, including petty cash items. Factor in other expenditures, including monthly expenses on your home and car. Compare your monthly expenses with your monthly [salary](#), and look for areas where you can earn or save more. (See also: [The first step to creating a simple budget](#)).

Establish goals

Specific financial goals enhance your chances of success. "Success is more likely if you identify one problem and take the necessary steps to rectify it," according to the National Foundation for Credit Counseling (NFCC). "You can always add more categories, but taking on too much at once can be overwhelming and lead to becoming discouraged."

Automate accounts

Many financial institutions provide free or low-cost electronic bill-paying services. Through automation, you can arrange to transfer a set amount of money into your savings account every pay day, said Manisha Thakor, a personal [finance](#) expert and author.

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Take mental inventory

Target areas of frivolous spending or lack of [financial control](#). Accept sacrifices and the likelihood of mistakes. "Setbacks are inevitable, so anticipate them and commit to riding them through," according to NFCC.

Buddy up

Use an "accountability partner" to accomplish financial goals. Ask a mentor, relative or friend to help you reach your targets. "Resolutions typically come and go. No one intends to make it only to break it. Nonetheless, that's what so often happens," said Gail Cunningham, spokesperson for the NFCC. "The above steps should go a long way toward reaching that previously elusive financial goal, putting you in a much better position at this time next year."

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