

9 Signs You're Good With Your Money (and 3 Signs You'll Go Broke)

If you're handling your finances well, there will be signs. Likewise, if you're hemorrhaging money, there will be red flags – maybe more glaring in retrospect. Check out this slideshow for signs you're on the right financial track (and three signs you need to correct course right away).

1. You have a budget. This is really the first and most important step to improving your financial health. You can't get better if you don't know where you stand. Whether you write it in a notebook or use a spreadsheet program on your computer, just start keeping track if you're not already.
2. You have an emergency fund. A great number of Americans are at risk of financial ruin from one accident or job loss. You should set aside at least \$1,000 and as much as three months' income for emergencies. If you've already done this, you're a smart cookie.
3. You pay your bills on time. Preventing late fees and keeping track of due dates is crucial to financial health. Paying your rent and utilities on time also helps improve your credit score. It also keeps you from getting annoying and stressful calls and mail from bill collectors.
4. You have a savings account and put money in it every month. Like an emergency fund, saving is an important part of financial health. No matter how much or how little you set aside, having the foresight to save is a good sign.
5. You use apps to help you stay on track. There are quite a few financial apps like Mint that can help you track your spending, budget, and set goals. These can even be free, meaning you don't have to spend anything to help get your finances on track.
6. You don't have credit card debt. Having a credit history is important, but just as important is ensuring you pay your credit cards off in a timely fashion. You don't want to get hit with interest or get a ding to your credit score by forgetting to pay on time.
7. You avoid fees. Whether it's convenience fees for paying bills or ATM fees, plan ahead and prevent these unnecessary charges that eat away at your financial progress. Those with a good handle on their finances will know where to get cash without getting charged.
8. You have financial goals. Everyone's goals are different, but having them is a really important part of keeping on top of your finances. Even if your goal is just to chip away at medical debt, it's something you're being thoughtful about it and moving toward.
9. You plan ahead. You know your car's license plate has to be renewed in October, so go ahead and start setting aside that money so the rug doesn't get yanked out from under you. (And avoid pricey tickets for expired plates!)

And three signs you're headed for financial trouble:

1. You let impulses drive your spending. We all have weaknesses, whether it's a warm chocolate chip cookie from the bakery down the street or the latest video game release. But if you're letting your impulses take over instead of having restraint, you'll soon be surprised by the low

amount in your checking account. It doesn't have to be every time, but you have to say "no" to the voice in your head saying, "but I want it!" sometimes.

2. You're not planning for retirement. Unfortunately, that's a lot of people. The average millennial has about \$44,000 in their 401k according to [Yahoo Finance](#), but they will need to save \$3 to \$4 million to retire comfortably. If you don't have a plan other than "rely on your kids for help," you're probably going to be working until you croak.
3. All your eggs are in one basket. Take it from the folks who put everything in crypto or NFTs – if you don't diversify your investments, you're headed for a hard landing. Work with a financial advisor who can help you create an investment portfolio that will have varying degrees of risk – and prevent you from losing it all on a risky investment.