Personal Finance

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Build an Investment Portfolio

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Building an investment portfolio can feel overwhelming, especially if you're just starting out.

The truth is, however, you don't need to be a financial expert to grow your money. With a little planning and patience, anyone can create a strong foundation for future wealth.

The key is starting simple and building smart habits from the beginning.

START WITH YOUR GOALS

Before choosing any investments, think about what you want your money to achieve. Are you saving for retirement, a home or your child's education? Different goals often mean different timelines, and your timeline should guide your investment choices.

Generally, longer-term goals allow you to take on more risk — like investing more heavily in stocks — because you have time to ride out market ups and downs. Shorter-term goals might call for safer investments, like bonds or high-yield savings accounts.

Knowing your goals and risk tolerance upfront will make choosing investments much easier.

BUILD A STRONG FOUNDATION

A well-rounded investment portfolio is built on diversification — meaning you spread your money across different types of assets. This reduces your risk, because if one investment loses value, others may hold steady or grow.

For beginners, a simple way to diversify is through mutual funds or exchange-traded funds (ETFs). These funds pool your money with other investors' money and spread it across dozens or hundreds of stocks, bonds or other assets.

Many beginners start with a "total market" or "S&P 500" index fund, which gives broad exposure to the overall stock market. Low-cost funds are especially important because high fees can quietly eat into your returns over time.

As your portfolio grows, you can add more types of investments, such as international funds, real estate investment trusts (REITs) or bonds, to balance risk and reward.

Invest consistently, not perfectly.

One of the most powerful habits you can build is regular investing. Rather than trying to time the market, set up automatic contributions to your investment account. This strategy, called dollar-cost averaging, helps smooth out the ups and downs of the market over time.

Don't worry about picking the "perfect" stock or fund right away. Staying consistent and thinking long-term will almost always matter more than making a few brilliant picks.

Finally, review your portfolio once or twice a year to make sure it still matches your goals. If your investments have grown or shifted, a small adjustment — called rebalancing — can keep you on track.

Starting from scratch can be intimidating, but you don't have to know everything to begin. Every smart investor was once a beginner too — the important thing is to take the first step.

Budgeting for Big Life Events

Big life events are often some of the most memorable — and the most expensive.

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Whether you're planning a wedding, preparing for a new baby or throwing a once-in-a-lifetime birthday bash, having a solid budget can help you celebrate without breaking the bank.

A little planning goes a long way toward keeping your finances on track and your stress levels low.

START WITH A REALISTIC ESTIMATE

The first step to any event budget is figuring out how much you can reasonably afford to spend. Take a hard look at your savings, income and other financial obligations before setting a target number.

Do some research to understand typical costs for the type of event you're planning. Weddings, for example, can range from a few thousand dollars to well over $30,000, depending on the location and size. Baby expenses can quickly add up between medical costs, gear, clothing and childcare.

Once you have a rough idea, prioritize your spending. Decide which elements matter most — whether it's a live band at your wedding, a dream nursery setup for your new baby or a special venue for a milestone party — and allocate funds accordingly.

BUILD IN A BUFFER

No matter how carefully you plan, unexpected expenses almost always pop up. Maybe it's last-minute decorations, a rush order fee or extra guests you hadn't accounted for. To stay ahead, build a 10% to 20% buffer into your budget from the start.

This cushion will give you breathing room if costs run a little higher than expected — and if you don't end up needing it, you'll have extra savings left over.

SMART WAYS TO SAVE

There are plenty of creative ways to celebrate big moments without draining your savings. Consider hosting events at home or in public parks to save on venue costs. Borrow or rent items instead of buying everything new, especially for one-time events.

If you're planning a wedding or party, think about choosing off-peak seasons or less popular days of the week, which often come with lower prices. When it comes to baby gear, secondhand shops and local buy/sell groups can offer major savings on gently used items.

Finally, set up a separate savings account dedicated to your event. Automating contributions to this account each month can help you build up funds steadily and stay organized.

Big life moments deserve to be celebrated. With careful budgeting and a little creativity, you can honor these milestones in a way that feels joyful — without sacrificing your financial future.

Inflation and Your Savings

Inflation can feel like an invisible force shrinking your wallet. While you may not notice it right away, the rising cost of goods and services can quietly erode the value of your savings over time.

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INFLATION BASICS

At its core, inflation means your money doesn't stretch as far as it used to. A gallon of milk that once cost $3 might now cost $4. While a dollar remains a dollar, its purchasing power declines. This is especially important to understand when thinking about long-term savings.

Savings accounts, money markets and certificates of deposit (CDs) are considered safe places to store money, but they often offer lower returns compared to investments. When inflation outpaces the interest you earn, your real value decreases. For example, if your savings account earns 2% interest but inflation is running at 4%, you are effectively losing 2% of your money's purchasing power each year.

This erosion may seem small, but over five, 10 or 20 years, it can significantly affect your financial goals. That's why it's important to take steps to protect your savings from the effects of inflation.

STRATEGIES

One way to defend against inflation is to seek higher returns. While it's wise to keep an emergency fund easily accessible, you might consider investing additional savings into assets that historically outpace inflation, such as stocks, real estate or certain types of bonds.

Treasury Inflation-Protected Securities, or TIPS, are another option. Issued by the U.S. Treasury, TIPS are designed specifically to help investors keep pace with inflation. Their principal value adjusts with changes in the Consumer Price Index, helping to maintain purchasing power over time.

Another strategy is to diversify. A mix of stocks, bonds, real estate and savings vehicles can help balance risk and reward. While stocks carry more risk than a savings account, they also offer the potential for greater long-term growth, which can offset inflation's impact.

Finally, regularly reviewing and adjusting your financial plan is key. Inflation rates change over time, and what worked for your savings five years ago might not be the best choice today. Checking in with a financial advisor or using trusted online resources can help you make sure your money keeps working for you.

Inflation may be inevitable, but its effect on your savings doesn't have to be devastating. With a thoughtful approach, you can help protect your hard-earned money and keep your financial goals on track.

Building a Financial Safety Net

Most people have heard of an emergency fund — a savings cushion for unexpected expenses like car repairs or medical bills. A true financial safety net, however, goes beyond one account.

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It's a multi-layered plan designed to keep you steady through all kinds of life's curve balls.

By thinking bigger than a basic emergency fund, you can build long-term security and peace of mind.

MORE THAN JUST RAINY DAYS

An emergency fund is essential, but it's only the first layer. Experts recommend saving enough to cover three to six months of living expenses in case of job loss, illness or major unexpected bills. This money should be easy to access, such as in a high-yield savings account. Having this money at hand can keep you from going into debt when emergencies strike.

Nor is it just for a crisis. A healthy emergency fund can give you the flexibility to pursue things that important to you such as taking time off work or going on a vacation.

Beyond that, a stronger safety net includes things like insurance coverage, backup income sources and a plan for large, irregular expenses. Health insurance, renters or homeowners insurance and disability coverage can all prevent a crisis from becoming a financial disaster.

Having multiple safeguards in place means you're not relying on savings alone if something major happens.

PLANNING FOR LIFE'S BIG SURPRISES

Unexpected events aren't always emergencies. Sometimes they're opportunities — a cross-country move for a dream job, a chance to buy a first home or the decision to start a family.

Building a financial safety net means preparing for these possibilities too. Setting up additional savings accounts for long-term goals like homeownership, education or career changes can help you seize opportunities when they arise.

Another key piece is reducing debt. Carrying high-interest debt can weaken your financial stability. Paying down credit cards and loans frees up more resources to save and invest in your future.

America Saves says that people who have a savings plan are far more likely to achieve their goals than those who just play it by ear. They offer an online pledge that helps people set goals, make plans and achieve better savings. It can be found at https://americasaves.org/for-savers/pledge/

SMALL STEPS TOWARD BIG SECURITY

You don't have to build your entire safety net overnight—and few people can afford to. Start small by setting up automatic transfers to savings and reviewing your insurance policies once a year. If possible, explore side hustles or backup income sources that could help during tough times.

It's also a good idea to regularly check your financial "health" — tracking your spending, assessing your savings rate and making adjustments as needed. Even small steps, taken consistently, can make a big difference over time.

Life is unpredictable, but your finances don't have to be. A well-built safety net can help you weather the storms, chase your dreams and enjoy greater peace of mind every step of the way.

Financial Tips For Couples

Love may conquer all, but when it comes to building a life together, money matters.

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Financial stress is one of the top causes of tension between couples, yet it's often one of the least discussed topics early in a relationship.

Having honest conversations about finances — and making a clear plan — can strengthen your partnership and help you avoid future headaches.

TALK EARLY, TALK OFTEN

One of the biggest mistakes couples make is waiting too long to discuss finances. It's important to be open about your financial history, including debts, spending habits and savings goals. It may feel awkward at first, but transparency builds trust.

Consider setting up regular "money dates" where you review budgets, upcoming expenses and long-term plans together. Treat these conversations like teamwork, not a confrontation.

CHOOSING THE RIGHT SYSTEM FOR YOU

There's no one-size-fits-all approach to managing money as a couple. Some prefer to combine everything into joint accounts, while others keep their finances separate or adopt a hybrid model.

- Joint accounts can simplify bill paying and encourage a shared sense of responsibility.
- Separate accounts may work better for couples who value financial independence.
- Hybrid systems allow you to maintain individual accounts while also contributing to a shared household fund.

Whatever you choose, clarity is key. Make sure both partners know who is responsible for which bills, how much each will contribute to shared expenses and how decisions about large purchases will be made.

BE REALISTIC

One common pitfall couples make is to give in to the temptation to overspend when they combine their incomes and it feels like they have more income than as an individual. Rather than adjust spending up with the new combined income, consider setting new savings goals, goals that might have been out of reach on a single income.

California's Department of Financial Protection and Innovation recommends exploring several options for creating a spending plan that can steer you away from over spending. This can include creating a plan in an Excel or Google Sheets, document, using apps designed for couples such as HoneyDue or You Need a Budget (YNAB), or even using labeled envelopes for each spending category every month.

PLANNING FOR THE FUTURE TOGETHER

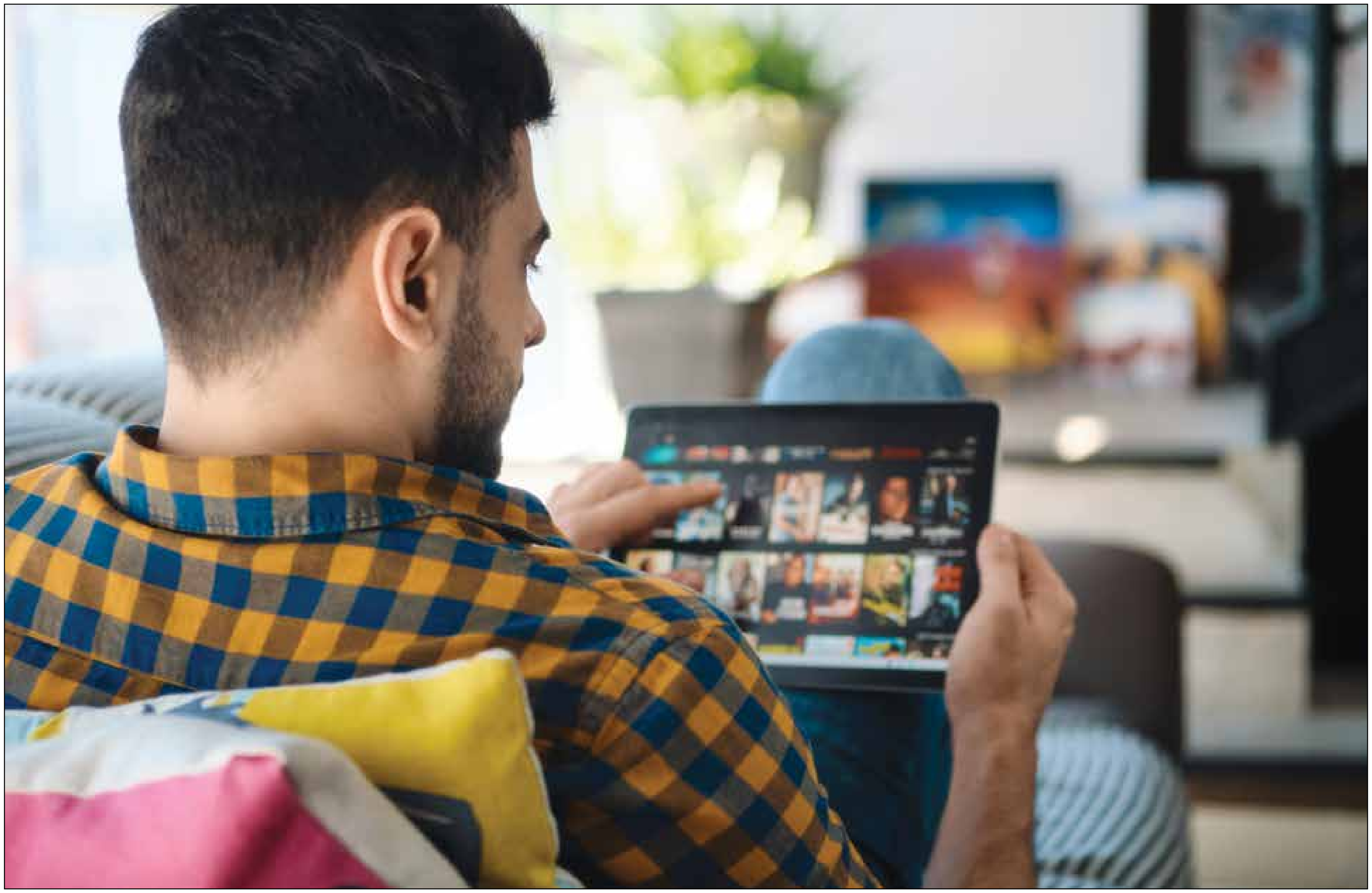
Beyond managing day-to-day expenses, it's important to look ahead. Discuss savings goals like buying a house, starting a family or planning for retirement. Create an emergency fund to cover unexpected events, and make sure both partners have appropriate insurance coverage.

It's wise to talk about estate planning, even if it feels premature. Wills, power of attorney and beneficiary designations can protect each other in the event of illness or tragedy.

Finally, consider meeting with a financial advisor together. A neutral third party can help you develop a plan that fits both your goals and values.

Money conversations aren't always easy, but they are an investment in your relationship's future. With open communication and a shared vision, couples can turn financial planning into a foundation for a stronger, more secure life together.

Subscriptions Bust Budgets



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Streaming TV, meal kits, gym memberships, beauty boxes — today, nearly every industry offers some kind of subscription service.

While they can be convenient and fun, subscriptions can also quietly chip away at your budget if you're not careful.

The problem isn't just the cost of a single service. It's how easy it is to lose track of multiple small charges that add up over time.

THE TRUE COST OF 'JUST ONE MORE'

Most subscription services seem affordable on their own. Five dollars here, $15 there — it doesn't feel like much. But when you add up music, movies, games, fitness apps, cloud storage, news sites and meal plans, you might be spending far more than you realize each month.

A 2023 study by C+R Research found that the average consumer underestimates their subscription spending by an average of $133 a month. That's more than $1,000 a year quietly draining away. The average monthly spend was $219.

Worse, many subscriptions are set to auto-renew, meaning you might continue paying for services you barely use or have forgotten about altogether. The C+R study found that the younger a person was, the more subscriptions they were likely to have forgotten about.

HOW TO SPOT AND STOP WASTEFUL SPENDING

The first step in trimming down subscription costs is awareness. Scan your bank and credit card statements for recurring charges. Some budgeting apps can also automatically track subscriptions for you, giving you a clear snapshot of where your money is going.

Once you have a list, ask yourself three questions for each service:

• Do I use it enough to justify the cost?

• Is there a free or cheaper alternative?

• Can I live without it for now?

Be ruthless. Cancel anything you don't actively use or value. Remember, you can always resubscribe later if you miss it.

Another tip is to rotate subscriptions rather than maintain several. Enjoy a few months of one streaming service, then cancel and switch to another. This way you're still enjoying content but cutting your overall spending.

NEGOTIATE, DOWNGRADE OR BUNDLE

Before canceling, check whether there's a cheaper plan available. Many companies offer discounted rates if you call and ask, or they might offer bundles that save money when you combine multiple services.

Also consider sharing subscriptions with family members where possible, as many services allow multiple users under one account.

Keeping subscriptions under control doesn't mean giving up all your favorite things. It just means being mindful of what you're paying for — and making sure your money is working for you, not slipping away unnoticed.

Harnessing Compound Interest

When it comes to building wealth over time, few forces are as powerful — or as misunderstood — as compound interest.

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Whether you're saving for retirement, a dream vacation or a rainy day, understanding how your money can grow through compounding is key to reaching your goals.

WHAT IS COMPOUND INTEREST?

Compound interest means you earn interest not just on the money you initially deposit, but also on the interest that money earns over time. In simple terms, it's "interest on interest."

Imagine putting $1,000 into a savings account that earns 5% interest per year. After one year, you would have $1,050. In the second year, you wouldn't just earn 5% on the original $1,000 — you'd also earn it on the $50 of interest you earned the first year. That means you'd end year two with $1,102.50. The more time your money has to grow, the bigger the gains become.

This effect can turn even small, regular deposits into significant savings. The earlier you start, the more you benefit from compound interest's snowball effect.

WHY TIME MATTERS

The biggest secret to making the most of compound interest is time. Even small amounts of money can grow into impressive sums when given enough years to multiply.

For example, if you save just $100 a month starting at age 25 and earn an average 6% annual return, you could have about $200,000 by the time you're 65. If you wait until 35 to start saving the same amount, you would end up with about half as much. Time doesn't just add up — it multiplies.

This is why financial experts often urge people to start saving and investing as early as possible, even if they can only afford small contributions at first.

Investor.gov offers a calculator that can help you visualize just how much you can save over time. It's compound interest calculator (https://www.investor.gov/financial-tools-calculators/calculators/compound-interest-calculator) identifies each factor that goes into savings and how much money you can make on an initial investment over time.

MAKING COMPOUND INTEREST WORK FOR YOU

To maximize the benefits of compound interest, consider setting up automatic contributions to a savings or investment account. Choose accounts that offer competitive interest rates or returns, and if possible, reinvest your earnings instead of withdrawing them.

High-yield savings accounts, retirement accounts like 401(k)s and IRAs, and dividend-paying stocks are all ways to put compound interest to work.

In the end, compound interest rewards patience. It may not seem exciting at first, but over time, it can quietly transform your financial future, one small deposit at a time.