7 personal financial management tips to know before age 30

A variety of sources of income, careful consideration between buying a house and renting a house, and always having funds for emergencies are the 3 most important tips to know right now.

For many people, the age of 20 is still the age of "still new to life", so they consider this as a rationale for making false financial decisions, in other words wasteful spending. However, when turning 30, things will almost change completely - a new phase of life when most will get married and have a small family.

This milestone - it can be considered - is easier when each of us has clear views on personal finance, rather than managing household expenses. This is considered to be a foundation to build a safe and sustainable life, avoiding unwanted breakdowns due to disagreement about the viewpoint of spending among members. Here are 7 very helpful tips that you can consult.

1. Know whether to buy or rent a house

When you turn 30, having a home is the need of almost everyone. However, between renting and buying new - which one is better? The answer is really not simple, very complicated and it is difficult to have a perfect answer despite the fact that many people are still inclined to the point that "being owned" is better than hiring someone else.

However, one thing to emphasize is that in certain circumstances both renting and buying have certain advantages, economically.

If you choose to buy:

Some aspects to consider include the real estate bubble (rising house prices => hyperinflation?) In the long run taking place in the area where you live (Can you predict when? it caused the actual value of the house to be reduced and if the option to buy a house near the city center, the price is also "acrid", whereas, choosing to buy from a farther place is not Always find the house you want.

If you choose to buy, make sure you have the ability to pay additional costs as an owner, including insurance, home repair, taxes, etc.

If you choose to rent a house:

If you choose to rent a house, make sure that the rent and incurred amounts do not exceed 30% of the total family income (or your total salary).

Choosing to rent a house also means you can't sell it and there is no freedom like buying a new home.

So, consider carefully before making a decision, including current financial calculations and future revenues, and consult with experienced people and consultants if necessary. set.

2. Should living only on monthly salary?

Living on wages: at the beginning of the month earning wages and the end of the month is out of money. Maybe you are living such a life or know a lot of people are going through this situation.

In fact, living solely on wages is not ideal when you're 30 years old. Because of this, the family burden plus many other unpredictable expenses will make you quickly enter a debt problem, even if you can't live.

So what to do?

If you have not found a part-time job, start looking at the most realistic and comprehensive way of monthly income and current spending habits.

Be ready to end your habits of wasteful spending, build a rational shopping list based on your needs and abilities, and regularly monitor your financial status. You can download applications that manage your phone spending or take notes in a small notebook.

Once you set up a budget, but still at the end of the month, spending is still over, you may need to find a job with a better salary or do other jobs to earn extra income.

3. Funds for emergencies

As the name suggests, this fund will be used for emergencies. Life has an abundance of surprises and, although prepared as best as possible, sometimes you won't be able to control it. Without this fund, the risk of "bag burning" is inevitable.

For example, sickness, illness or household appliances are suddenly broken, needing repair or new purchase .

What should you do?

Start saving now, maybe in small amounts and then, increase gradually by month. However, it should be noted that this fund must be "liquid", meaning **cash** to be used immediately rather than in a savings book or credit card!

4. Control debt

Debt is a condition that is also quite common for people who have turned 30 and can exist in many forms: business debt, wedding money, house purchase, land purchase, credit card, debit card. . If you can't control your debts and interest on a monthly basis and don't have a firm basis to pay them, everything will be very bad.

One strategy to help you troubleshoot in this case is to pay by month / year to make sure you don't pay too much at the same time.

5. Diversified earnings

If you want to "super active" for savings accounts and pay off your debts as soon as possible, seriously consider your diversification of earnings.**Freelancer** is an interesting idea.

The advice here is to work hard on your skills and expertise with your current job to become an "expert", then you can confidently take up more work to do and now your income will definitely improve. better than before.

6. Self-cooking or buying ready-made food?

Food is a shopping list that you should not take lightly. This is something everyone has to buy every day and they are no longer as cheap as before. Besides, if you choose to buy ready-made food instead of self-cooking, it is certain that you cannot guarantee that they will always be safe for your body, leading to health costs (eating Too much sugar leading to obesity, too much meat will lead to cardiovascular diseases .) will be higher.

So what to do?

It is best to learn how to cook, prioritize a diet rich in green vegetables, fruits and make a list of essential foods for the whole week so that you do not spend much time choosing food for each day anymore.

7. Share your financial situation with your partner

Money is a common cause of unwanted conflicts between couples. A survey in 2014 found that **70% of family conflicts stem from disagreements over spending views** rather than other causes.

The advice here is to regularly have frank talks about the situation of family's income and expenditure, share financial views, make suggestions, identify mistakes, and offer solutions to manage money. Silver more effective. Both people (and other family members) need agreements and work together to create a scientific revenue and expenditure plan.

If you don't learn how to manage your finances, no one will do it for you. You are fine, there are no penalties or threats that can force you to make financial decisions and have reasonable spending habits. However, what you need to remember is: **money is a tool and your responsibility to yourself is to learn how to use the tool.**

If not, one day you will not be able to control the consequences.

*About the author: The article is shared by **Suraya Zainudin** personal finance expert, Bitcoin, FinTech and has many years of working experience for non-profit organizations.*