

## 3 Golden Rules In Managing Your Money

### Description



Managing one's finances isn't always easy, but it needn't be that difficult either. In fact, in this Internet age of limitless resources and financial blogs, we already have it easier than our forefathers did. Yet, whereas the older generation leaned towards frugality and savings, our generation seems to be splurging away our wealth instead.

But if you're on this side of the world with me, where we're all working hard in hopes that we can achieve financial stability and freedom soon, here's an easy formula to follow (especially for the beginners):

**The 3 "I"s : Income, Insurance, Invest.**

**Rule #1 : INCOME – Build up source(s) of cashflows.**



In order to accumulate wealth, you need to first build up a stable source (*or multiple sources*) of income.

Get a job that pays fairly, or set up a business yourself. Focus on self-improvement and learning new skills so that you stay employable and relevant to the new economic shifts, no matter how old you are. Your fixed income should therefore rise accordingly as you grow in your career and become better at your job.

If you're hardworking enough, you can even set up multiple sources that can generate cash for you. If you haven't set up a Carousell account, I highly recommend you do so, as I earned a 4-digit figure from my sales of unwanted things through the app within the last year alone. In fact, [I managed to save an additional 50% after I created multiple income streams for myself](#), with Carousell being just one of them.

Another sub-rule to follow would be to spend less than you earn, otherwise you'll always be living from paycheck to paycheck with no room for wealth accumulation (much less retiring!).

## **Rule #2: INSURANCE – Get adequate protection.**



Many are anxious to get started and jump into the stock markets at this point – especially when the STI is hovering near-crisis levels and newspapers keep talking about “bargain stocks” in a depressed market.

I don't blame them. The temptation is difficult to resist.

But before you start investing, you should first make sure you're adequately protected with insurance. Otherwise, just a couple of hospital visits can easily wipe out your savings or even force you to liquidate your investments at a bad time when you're losing money.

You're bound to visit a hospital at some point, so make sure you're covered with a good [healthcare insurance](#) policy for a start. Speak to a decent financial advisor who can analyze your financial status and guide you on what's essential vs. what's unnecessary.

## **Rule #3: INVEST – Use your money to earn more money.**



Finally, after you're established a regular source of income and sufficient coverage to make sure you won't be faced with a sudden scenario where you run out of cash, you can look at making your money work for you through investments.

If you only keep your money in the bank, you'll never have more money than what you save. At a base interest rate of 1.5% through your bank, it'll take you at least 48 years to double your money. However, when you invest your money, this timeframe could be shortened to as little as just 10 years, since you're using it to generate more cash by buying and selling assets that increase in value. This can be in the form of stocks, bonds, real estate, precious metals, commodities, etc.

Having these 3 "I"s will make managing your money has become a whole lot easier to deal with.

With love,  
Budget Babe

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